

BEC
The multinational bank for international finance
Blvd du Souverain 100 tel. 660 49 00
B-1170 Brussels fax 23846

SURVEYORS VALUERS AND AUCTIONEERS
OF REAL ESTATE
Healey & Baker
01-629 9292

NEWS SUMMARY

GENERAL

Liverpool march provokes debate

Rival calls to extend and limit police powers followed Saturday's anti-police march in Liverpool. In a low-key police operation 16 officers were hurt, including two who were stabbed. There was one arrest, for alleged threatening behaviour.

Garston Tory MP Malcolm Thornton called for wider police powers. Rotherham Labour MP William Roberts blamed police tactics. He suggested an eight-point charter to make police chiefs entirely answerable to politicians, including replacing metropolitan forces with smaller district units controlled by local councils and banning speeches by chief police officers.

Merseyside Police Federation chairman said 767 members were injured in Liverpool in six weeks of trouble. He called for a "get tough" policy to "winkle out the hoodlums, elephants and agitators." More than 2,000 people, some from Bristol, Leicester and Sheffield, took part. Manchester riots inquiry opens, Page 3.

Sheffield fight

Seventeen people will appear before Sheffield magistrates today after Saturday's street fighting involving 500 youths, mostly black, in which three policemen were injured. In Llandudno four officers were hurt, and nine people arrested, in trouble involving 200 youths.

Nurse death call

Three Labour MPs called for an inquiry into nurse Helen Smith's death in hospital.

Zimbabwe blasts

A series of blasts at Zimbabwe's Inkomo army barracks, 20 miles from Salisbury, was said to have been started by a gas container exploding in a munitions dump.

Opticians inquiry

The Office of Fair Trading is investigating high prices of opticians' prices. Page 3.

Europa victory

East Germany won the men's and women's Europa Cup athletics finals in Zagreb.

France first

The Austrian grand prix, 11th in the 15-race world series, was won by Jacques Laffite (France) in a Tyrrell-Ford. René Arnoux (France) in a Renault 5th and Alain Prost 2nd.

Sheene wins

Barry Sheene (UK) won the Swedish motor cycle grand prix on a Yamaha. Massimo Luchini (Italy) on a Suzuki came 9th to become world 500cc champion.

Aussies need 296

Australia, with five wickets left, need 296 to win in the fifth Test, England, 231 and 404; Australia, 130 and 210-5 (G. Vallop 114). Trevor Bailey, Page 15.

PUBLISHER'S NOTICE

The price of the Financial Times has been increased to 30p from today. The rise is the first in more than a year and has been forced on us by substantial cost increases, especially for newsprint.

Newsprint prices, like those for oil, are tied to the value of the dollar. The U.S. currency's recent sharp appreciation against sterling has been an important factor in making newsprint prices some 25 per cent higher than a year ago.

BUSINESS

IBM in World Bank deal on loans

● **WORLD BANK** and IBM are to exchange responsibilities for servicing certain foreign debts, aiding the Bank in raising D-Mark and Swiss franc funds and allowing the computer maker substantial foreign exchange profits. Back Page.

● **BRITISH SHIPBUILDERS'** Robb-Caledon yard in Dundee may be kept open by an expected bid from Kestrel Marine, a neighbouring company. Back Page.

● **TATE & LYLE** is believed to be arranging the sale of part of its specialty chemicals business to Merck Sharp and Dohme, the U.S. drug company. Back Page.

● **BRITISH EXPORT** market share for manufactured goods is likely to fall further over the next 18 months, an OECD survey says. Page 2.

● **OIL MINISTERS** from six Opec countries meet today to seek a compromise agreement on prices. Page 2.

● **CLOSED SHOP** curbs were predicted by Industry Minister Norman Tebbit, but he resisted calls for a total ban. Page 5.

● **INFORMATION TECHNOLOGY** centres to provide work experience for the young may be hampered by curbs on using facilities to launch enterprises. Page 4.

● **OFFICE REDUNDANCIES** on a large scale are in prospect as new technology is introduced under increasingly conditions. Page 4.

● **WESTERICK PRODUCTS** directors have written to shareholders, urging rejection of an offer from C. H. Beazer. Page 18.

● **EUROPEAN MONETARY** system's weaker members experienced a brief respite last week as the dollar fell sharply. However, pressure again increased, particularly on the Belgian franc, as rumours of a currency realignment within the EMS grew. The Belgian currency needed support from the Bundesbank and the Belgian central bank, and was fixed at its lowest permitted level against the D-Mark.

● The Italian lira lost its place to the D-Mark as the strongest member. The French franc remained weak, in spite of Paris denials that a devaluation was planned. The market remained unconvincing and trading was nervous and volatile.

Laker seeks £130m debt rescheduling to avoid £6m loss

BY ALAN FRIEDMAN

SIR FREDDIE LAKER, the man who brought cheaper airfares to thousands of travellers, is asking his bankers to reschedule £130m of long-term debt.

If Midland Bank International and Eximbank, the two lead managers of the syndicated loans, do not agree to Sir Freddie's request, Laker Airways could face a capital loss of £6m this year, which would reduce the company's net worth by more than a quarter.

The £130m in loans, all in dollars, has been used by Laker to finance purchase of 11 DC-10s and three A-300 "airbuses," which cost a total of about £270m. All these aircraft have been delivered, but the loans were made at exchange rates of between \$2.10 and \$1.80.

According to Sir Freddie, the problem is that on the advice of his bankers, Laker has been budgeting for repayment this year of the borrowings at a rate of \$2.25.

In the current year repayment of capital and interest will total about £47m. The first half of this sum has already been paid, but the remaining £23.5m falls due in the second half of Laker's financial year, most of it from next January to March.

Sir Freddie believes that an adverse exchange rate could cost him £6m, to be paid from Laker's reserves of £18m.

This would lower the group's funds to its present level of £23m (£5m in share capital and £18m reserves) to £17m.

"I want to avoid a capital loss," he said.

To avoid the loss, Sir Freddie is asking his bankers to put off the bulk of the £23.5m repayment for a period of six months, to the middle of next year.

He wishes to achieve this deferral by means of a "release-and-recapture" clause, to be inserted in his loan agreements.

"We are trying to convince the bankers that because the airline industry is cyclical, we should have more flexibility in repaying our loans," he said yesterday.

His preferred method of obtaining flexibility is the new clause. I said to myself, "Laker, you are an innovator. You have innovated the airline business. Now you must innovate the banking business."

The "release-and-recapture" clause which Sir Freddie and his advisers have come up with would "release our obligation to pay now and recapture payment for the banks later on. But if the banks do not accept his plan, Laker Airways will pay up."

"If the worst comes to the worst, I will cry all the way to the bloody bank," added Sir Freddie. He said Laker was trading profitably and would repeat last year's profits of £5.2m.

Sir Freddie blamed the problem of adverse currency movements partly on leaders of the U.S. and British Governments. "The Reagan and Thatcher Governments have screwed up the whole world's monetary system and I'm in the middle of it," he said.

The solution in future would be that he would "never again buy an airplane without a release-and-recapture clause."

At Midland Bank International a spokesman confirmed that talks were underway. "We have continued to talk to Laker Airways since the loan was signed in January."

The Midland-managed loan was for \$130m, specifically designed to help finance the three airbuses. A syndicate of European and American banks joined Midland in this ten-year loan and any decision on rescheduling will have to be made with the approval of all the banks.

The Eximbank-managed loan, according to Sir Freddie, still has nine years to run and is at interest rates below 10 per cent.

Turning to current trading, Sir Freddie agreed that Laker faced the airline industry's problems of high fuel costs, declining passenger levels and price competition.

But he was not worried about Laker's profitability. Fares will be increased next month. By the end of the 1982-83 financial year, he predicted, profits would be about £10m.

The U.S. air traffic controllers' strike was not affecting Laker, he added.

"We haven't cancelled a flight. We've picked up business from other airlines."

Laker was achieving this by picking up slots from other airlines which had cancelled transatlantic flights.

Laker Airways was founded in 1966 after Sir Freddie left the managing directorship of British United Airways. In 1971, he devised his Skytrain air passenger service for North Atlantic group charter, and after several setbacks it gained Civil Aviation Authority approval.

Top economists call for expansion of demand

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

An expansion of demand in the UK through cuts in indirect taxes and a lowering of the sterling exchange rate are the morning offered as an alternative to the Government's current strategy by three prominent professors of economics.

The professors argue that the Government's strategy is "the main cause of the present slump," that there is at present no likelihood of a worthwhile recovery, but that there is an alternative which offers better prospects.

The authors are Sir Bryan Hopkin, formerly chief economic adviser at the Treasury and currently a professor at Cardiff; Professor Marcus Miller from Warwick University, and Professor Brian Reddaway of Cambridge University, a part-time adviser to the Confederation of British Industry.

The main points of the statement are—

● Government policies have been "the principal causes of the recession." The impact of the rise in oil prices could have been offset but instead policies stimulated a faster growth of prices and wages. The strong pound, largely brought about by government policies, has had "particularly disastrous results."

● On present policies, "unemployment will continue to rise, even though output may be roughly stabilised at the present depressed level." The possibility of the inflation rate "falling substantially below 10 per cent is remote."

● A money supply target is unsuitable and the medium-term financial strategy should be abandoned.

● An alternative strategy would include "an expansion of internal demand and a lowering of the exchange rate to increase output."

● Any fiscal boost should initially be very cautious. A high priority should be given to abolishing the national insurance surcharge and reducing indirect taxes on consumer goods, to keep down the rise in prices and offset the fall in the pound. There is no need for any significant reduction in the average level of real after-tax earnings.

● As a long-term policy the Government should seek to secure structural reforms in pay bargaining and, in the short-term, it should use pressures of any kind against inflationary deals.

● The exchange rate should be reduced through interest rate and demand policy, while "a clear Government statement about the evil consequences of the present high rate would induce market views."

The statement is in part a development of the critical letter against official policies signed in March by 364 academic economists, with the important addition of a suggested alternative approach.

The outspokenness of the statement could cause a surprise since Professors Hopkin and Reddaway have been major figures in the economics establishment in the UK for more than a generation.

Treasury Ministers will no doubt argue that the criticisms misunderstand the purpose of their strategy while the proposed alternative would result in higher inflation.

The professors' statement is not surprising since their criticisms of official policy have become increasingly apparent in the past year. Moreover, Professor Miller was a key adviser to the Commons Treasury Committee in the preparation of its highly sceptical report on monetary policy this spring.

The professors say they are not alone "to predict how much could be achieved by a strategy of this kind, or how rapidly, largely because the outcome will be much influenced by the degree of consensus achieved (on fighting inflation) and by the extent to which the world economy recovers from its present difficulties."

There is also the problem of increasing capacity to provide enough work-places to absorb the large number of people now unemployed, but we are less worried by this than by the difficulty of combining an adequate rise in real demand and a consensus over money incomes.

Even on an optimistic view we do not expect that the economy could return to the levels of unemployment and inflation which prevailed in the 1960s.

Copies of the statement can be obtained for £1 from Professor Reddaway at the Faculty of Economics, Sidgwick Avenue, Cambridge CB3 9DE.

London, Page 14; MLR ends, Back Page

Moscow to aid Polish economy

BY LESLIE COLT IN WARSAW

THE Soviet Union has confirmed that it is to allow Poland to defer payment of its \$4.2bn (£2.34bn) debt to Moscow for five years and has promised to ship substantial supplies of raw materials and consumer goods to its socialist neighbour in its "hour of trial."

Mr Leonid Brezhnev, the Soviet President, made the aid commitment during talks with Polish leaders in the Crimea over the weekend. Details were announced in a joint communiqué carried on the front page of Pravda, the Communist party newspaper, yesterday which was also released in Warsaw.

The decision to defer Poland's debt payments to the Soviet Union is seen as an attempt to help Warsaw convince its Western creditors to reschedule its entire commercial debt due this year. Mr Marlon Kraak, Poland's Finance Minister, said earlier that the Soviet Union had agreed to a five-year debt rescheduling but it is unclear whether the latest arrangements cover the same debt.

The Soviet aid commitment was coupled with a new round of warnings to the Poles to temper strikes and demonstrations. But the tone of the Soviet-Polish communiqué was regarded here as somewhat less menacing than a Soviet letter in March to the Polish leadership.

Nevertheless it still contained the key phrase that the Soviet Union holds a "consistently internationalist" attitude towards Poland. This is the way the Soviet Union describes its right to intervene in another Communist country if it regards Communist rule there as threatened.

Internally, Poland faces a threat to the tenuous two-month moratorium on strikes and food demonstrations announced last week by the Solidarity union. In the face of opposition the organisers of a strike on Warsaw planned for today said they would first hold rallies in five Polish cities, and then decide whether to begin their march in protest against the detention of political prisoners.

The Government has warned against holding protest demonstrations and Solidarity earlier withdrew its support for the student organisers of the rally.

Solidarity said it would be very bad if "provocateurs used the incident to draw the union into conflict with the authorities."

Our Moscow correspondent adds: Western diplomats said the Kremlin's assessment of the Brezhnev-Kania meeting had a "fairly reasonable" tone, belying the sharp criticisms of the Polish regime that had been expected.

Pravda said the party leaders found "comradely mutual understanding" in their meeting—a sentiment slightly less fervent than that which customarily prevails when more trustworthy allies, such as the Czechs or East Germans, come to call on the Kremlin leader.

The Soviets said Poland's economic situation was "very complex and difficult," with lowered industrial output and national income.

International Capital Markets, Page 19

Lifeline cut to Vietnam boat people

By Raymond Snoddy

SEA CONTAINERS, the multinational container company, has decided that in future it will not necessarily pick up all Vietnamese boat people continued by its ships on the high seas.

The company, a major container and ship leasing company with substantial British interests, with offices in Bermuda and the U.S. and administrative headquarters in London, has taken the decision because it says it was threatened with the loss of its Bermuda registry after one of its Bermuda-registered ships picked up 85 refugees in May in the South China Sea.

Mr James B. Sherwood, president of Sea Containers and its sister company SeaCo, said at the time of the announcement of second-quarter group earnings of \$10.5m (compared with \$7.3m in the first quarter): "We recently risked loss of our Bermuda ship registry when one of our vessels picked up 85 Vietnamese refugees."

He added: "We have now equipped all our vessels trading in South-East Asia with additional lifeboats, food, water and medicine and instructed our masters in future to supply these items to refugees in distress."

The company's masters would continue to observe international safety of life at sea regulations and pick up boat people whose lives appeared to be in danger. But if in the master's view, this was not the case, the refugees would be given assistance and left at sea.

The Sea Containers policy is a protest at what the company believes is lack of support from governments for ship-owners who pick up refugees and encounter difficulties in finding a "home" for them.

The company believes it is the first to state publicly that it intends to offer only "first aid" to refugees.

Boat people are still pouring out of Vietnam at an average rate of 5,000 a month although the individual monthly total varies greatly. In May the total rose to 14,792, the highest since July 1979, although in July the figure was down to 4,794.

According to the U.N. High Commissioner for Refugees there have been persistent reports from refugees that ships have been sailing past without offering any assistance.

The problems began for Sea Containers in May when one of their container ships, Nedjoud Crystal, picked up the 85 refugees, many of them children, in the South China Sea.

The ship then spent at least three days in the anchorage off Singapore while international negotiations were conducted to

Thatcher 'inflexible' over Ulster

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

THE WIDENING rift between the London and Dublin Governments caused by the continuing hunger strike in the Maze Prison, Belfast, came out in the open again yesterday amid signs of increasing anxiety in Dublin about the consequences for the political system in Eire of more prisoners dying in Northern Ireland.

Interviewed on ITV, Dr Garret Fitzgerald, the Irish Prime Minister, accused Mrs Thatcher of "inflexibility" over the handling of the crisis which, he said, had increased anti-British feeling and bitterness in the republic.

The strike, he warned, was strengthening the IRA and increasing the risk of violence in both the North and South of Ireland.

The interview was broadcast five days before Thursday's by-election in Fermanagh and South Tyrone, Northern Ireland. Dr Fitzgerald said he "wouldn't wish to personalise the issue in that way at all."

The whole tone of Dr Fitzgerald's interview indicated the despair felt in Dublin about the British Government's attitude to the strike.

He appreciated, he said, that the IRA was a threat to his government and to Irish democracy rather than a threat to Britain. "It's we who have to live with them. It's we who have to fight them and save democracy here—and we've often got very little help from British governments which have at times negotiated with them."

All he could hope, he said, was that "on further reflection, the British Government would reconsider its position."

The Irish Government hoped that British opinion, political and public, would become increasingly alert to the damage being done by the strengthening of the IRA through "the failure to resolve this by methods that don't involve any concessions of principle."

CONTENTS

Du Pont: Conoco takeover — now a unique company	16
Neutron bomb: a fall-out in Bonn	17
Entrepreneurs: new enterprises in Welsh valleys	4
Technology: biological freezer at the London Hospital	6
Management: Vickers R-R Motors' evolving structure	13
Lombard: Samuel Brittan on backing for contractors	14
Sport: cricket and soccer look to sponsors	14
Editorial comment: dock labour; Southern Africa 16	
International bonds: quotations and yields	7-12

U.S. flights avoid Portuguese control

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE Federal Aviation Administration, the governing body, responsible for U.S. air space, said yesterday that a planned 48-hour boycott of U.S. flights by Portuguese air traffic controllers would have little impact on transatlantic air travel.

No delays were expected as a result of the Portuguese controllers' action, due to start this morning, said the aviation administration.

It has mapped out three extra air lanes avoiding space controlled by the Portuguese traffic control centre in the Azores.

The routes are in the southernmost part of the North Atlantic route handled by Canadian air traffic controllers, who dropped their sympathy action with striking U.S. air traffic controllers last week.

There were no signs yesterday of concessions by either side in the continuing U.S. air traffic controllers' stand-off with the U.S. Government.

Mr Robert Poli, president of the striking Professional Air Traffic Controllers' Organisation, said he still expected the Government eventually to resume negotiations despite its firmly-stated determination not to.

Mr Poli said President Reagan had been misled by Mr Drew Lewis, U.S. Transportation Secretary, and had based his decisions on "bad advice."

"When he knew the full story," the possibility exists that he will change his mind," a still confident Mr Poli said on CBS television.

Continued on Back Page

Call Standard Chartered and you're there.

When your company's business reaches out to new markets, make one call to Standard Chartered and you're there.

For more than a century the Chartered Bank and Standard Bank have been leaders in international banking; today, as Standard Chartered and in California as Union Bank, a network of more than 1,500 offices in some sixty countries makes us Britain's largest independent overseas bank.

Standard Chartered's branch-to-branch network can assist with all aspects of your company's business, whether it is the simplest import/export transaction or the most sophisticated merchant banking finance package.

Next time you feel your bank is not giving you its best, make that call to Standard Chartered. Wherever in the world you want to do business, it's only a local call.

Standard Chartered
The British bank that goes further faster.

Arts	15	Int. Co. News	25	Today's Events	17
Appointments	15	Int. Co. News	25	TV and Radio	14
Deeds: Rome	3	Int. Co. News	25	UK News	23
Building News	8	Int. Co. News	25	Unit Trains	28
Businessman's Dry	4	Int. Co. News	25	Weather	28
Business News	6	Int. Co. News	25	World Econ. Ind.	2
Company News	18	Int. Co. News	25	World Stock Mkts.	20
Crossword	14	Int. Co. News	25	World Trade	20
Entertainment Gde.	16	Int. Co. News	25	INTERIM STATEMENTS	
Europe	16	Int. Co. News	25	Gulf Int. Bank	18
Finance	16	Int. Co. News	25	Compagnie Financière	21
Int. Co. Markets	19	Int. Co. News	25	ANNUAL STATEMENT	
Financial Diary	21	Int. Co. News	25	Associated Leisure	21

For latest Share Index: phone 01-246 8025

OVERSEAS NEWS

U.S. budget deficit 'could rise to \$60bn'

By Reginald Dale, U.S. Editor in Washington

THE U.S. budget deficit could rise to more than \$60bn next year, according to Administration officials confounding President Ronald Reagan's hopes of reducing it to just over \$40bn. This year's figure is expected to be around \$55bn.

As a result, the President, currently holidaying in California, is planning a round of discussions this week in Los Angeles with Mr. David Stockman, his Budget Director, to see if still more spending cuts can be made in fiscal 1982, which begins on October 1.

The likely size of the deficit has always been regarded by sceptics as one of the weakest points of Mr. Reagan's economic programme, which he officially signed into law last week. Even the original forecast of \$42.5bn for fiscal 1982 was regarded as excessive by his critics.

Administration officials, however, now apparently believe that the lagging economy and high interest rates could force up the deficit by \$20bn if nothing is done.

When he signed his tax and budget cutting Bills on Thursday, Mr. Reagan said there was a likelihood of increased deficits "due in part to not getting totally what we had asked for in budget cuts, but also that the tax package came out with additional reductions."

Medfly advances

California's central agricultural heartlands, producing almost half America's fresh fruit and vegetables, are now threatened by the Mediterranean fruit fly. Reginald Dale reports from Washington. The pest has invaded the State's chemical spraying programme and broke through a mountain range into the fertile 400-mile long San Joaquin Valley, at the weekend.

U.S. indices

In early editions of Saturday's Financial Times we reported that the U.S. rate of inflation at the wholesale level fell to 1.4 per cent last month, and that industrial production rose 2.3 per cent. These figures should have been 0.4 per cent and 0.8 per cent. We apologise for the errors.

OIL TALKS START IN GENEVA

Opec Ministers meet on prices

BY PATRICK COCKBURN

SIX OIL ministers from the Organisation of Petroleum Exporting Countries (OPEC) met in Geneva today to try to reach a compromise agreement on oil prices before a full Opec consultative meeting begins on Wednesday.

The North African producers, whose exports have been badly hit by oil company resistance to their high prices, are eager to get Saudi Arabia to reduce its production from 10.3m barrels

a day (b/d) and to increase its prices from \$32 to \$34 a barrel. They in turn appear prepared to accept a drop in their prices from about \$40 to \$37 while other OPEC members will drop their market crude from \$38 to \$34 to bring them into line with the Saudis.

It is not clear, however, if the Saudis will agree to higher prices and lower production without some commitment by other Opec members to a long-term strategy on prices which

would lead to graduated price increases in future. The preparatory meeting today brings together Saudi Arabia, currently producing 43 per cent of the organisation's total output, and Algeria, Iraq, Iran, Venezuela and Kuwait. It is not clear, however, if the Iranian Oil Minister will attend.

In the past Saudi Arabia has said that it will not agree to any emergency meetings of Opec unless there is prior commitment by other member

states to cut their prices. Nigeria and Libya have been particularly badly hit by the world oil glut and Nigeria alone has seen its output drop from 2m b/d to 800,000 b/d over the last year. Iran's exports, badly needed to finance arms imports, have also fallen alarmingly.

Nevertheless, Wednesday's Opec meeting is still consultative and will have to be upgraded to a decision-making conference if pricing unity is to be hammered out.

Bani-Sadr restrictions relaxed

BY DAVID WHITE IN PARIS

FRANCE has relaxed the very tight restrictions on former Iranian President Abolhasan Bani-Sadr and Mr. Massoud Rajavi, the left-wing opposition leader with whom he fled to France three weeks ago.

The move to allow the two to renew contacts with the Press follows the evacuation of a second contingent of French residents from Iran last Wednesday.

Relations between France and Iran, which deteriorated rapidly after Mr. Bani-Sadr's arrival, are further threatened by last week's incident in which a French-built gunboat was captured by an opposition group on its way to Iran.

The Paris-based Azadegan organisation, which claimed responsibility for the seizure,

said at the weekend that the whereabouts of the captured gunboat were a "military secret," but that it was somewhere in international waters. The gunboat, taken off southern Spain after refuelling at Cadiz, was originally believed to have headed towards Tunisia.

Two other Iranian gunboats escaped and have reached Oran, Algeria. AP reports.

Mr. Bani-Sadr categorically denied having any link with the organisation, which is headed by monarchist ex-officers. He said this action was to be expected in the circumstances.

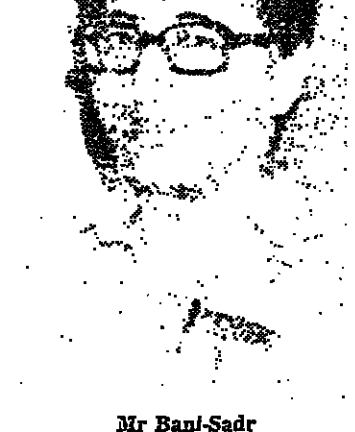
In an interview with Agence France Presse news agency, the former President said he was ready to return to Iran if Ayatollah Khomeini allowed freedom there, as he promised

when he was in exile in France in the winter of 1978-9.

He said that he and Mr. Rajavi, leader of the Mojahedin-Khalq, had set up a National Resistance Council in order to channel popular opposition to the Khomeini regime.

Interviewed by Le Monde newspaper, Mr. Rajavi said that little had been done to organise this movement because of "the uncertainty of our status in France." But an all-out effort would be made to form an organisation that would be "truly representative of the resistance" against Ayatollah Khomeini, whom he termed a "bloody executioner."

He rejected bringing in figures such as Mr. Shapour Bakhtiar, the former Prime Minister, who is also in exile in France.



Mr Bani-Sadr

"We do not want to collaborate with those who have already failed," he said.

Schmidt renews links with Honecker

BY KEVIN DONE IN FRANKFURT

HERR HELMUT SCHMIDT, the West German Chancellor, has written to Herr Erich Honecker, the East German leader, urging him to maintain links of communication between the two governments.

News of Herr Schmidt's latest contact with the East German President emerged in Bonn at the weekend only a day after the two countries had marked the 20th anniversary of the building of the Berlin Wall, an operation that was personally supervised in 1961 by the present East German Communist Party chief.

Details of the letter, which was apparently sent about two weeks ago, have not been released, but it is thought that Herr Schmidt made no mention of a possible summit meeting between the two leaders. He stressed, however, the importance of maintaining relations between the two countries, despite general East-West tensions.

Such a meeting is long overdue. A summit planned to take place in East Germany in the spring of last year was indefinitely postponed in January 1980 after the Soviet invasion

of Afghanistan. It was subsequently cancelled at the height of the Polish crisis in August last year.

The delicate relations between East and West Germany were dealt a further blow last year when the East German Government suddenly quadrupled the obligatory entrance fees West Germans and West Berliners must pay to visit East Berlin.

New moves in relations between the two Germanys could also be signalled by the visit at the weekend of Herr Klaus Bolling, West Germany's

permanent representative in East Berlin, to Chancellor Schmidt at his summer home near Hamburg.

Reuter adds from Bonn: West German Foreign Minister Hans-Dietrich Genscher has welcomed U.S. President Ronald Reagan's willingness to meet President Leonid Brezhnev of the Soviet Union and says he hopes their talks will be wide-ranging.

In an interview yesterday, Herr Genscher said such an East-West dialogue was an opportunity for discussion of all major world problems.

Lebanon urges emergency summit

By Ihsan Hijazi in Beirut

THE LEBANESE Government is pressing for an emergency Arab summit conference to discuss its demand for a common Arab strategy on southern Lebanon and the intermittent war being waged there between Israel and Palestinian guerrillas.

The Lebanese Government believes that unless a political initiative is taken, the fragile truce in the area, arranged on July 23, will collapse.

Mr. Chafiq al-Wazzan, the Lebanese Prime Minister, begins an official visit to Saudi Arabia today to discuss events in southern Lebanon and from there will go to Kuwait for talks.

So far there has been a cool Arab response to the Lebanese request, and two senior guerrilla leaders in Lebanon have rejected categorically proposals by the U.S. for stabilising the ceasefire by boosting the strength and expanding the mandate of the United Nations peace-keeping force in Southern Lebanon, known as Unifil.

Abu Iyad, second in command after Yasser Arafat in El-Fatah, declared at a rally in Beirut on Saturday that the American proposals were in effect Israeli terms and that increasing the number of Unifil troops and widening the area of its operations would be tantamount to "occupying" the south and suppressing the guerrillas.

Washington was reported to have proposed raising the number of Unifil soldiers from 6,000 to 14,000.

Abu Jihad, deputy commander of the PLO forces, said during a visit to Bahrain on Saturday that the U.S. plan was hostile to the guerrillas.

The Lebanese Government has also announced plans to strengthen the country's air defence system.

Egypt asks for loan

Egypt is asking the International Monetary Fund (IMF) for an extended credit facility of SDR 600m (\$870m) to offset an expected balance of payments deficit. Finance Ministry officials said. Reuter reports from Cairo.

Balsemao wins party vote of confidence

BY DIANA SMITH IN LISBON

PORTUGAL'S Social Democrat Party yesterday passed a vote of confidence in Sr Francisco Pinto Balsemao and asked him to be their candidate for the Prime Ministership.

Sr Balsemao resigned abruptly from the premiership on August 10. He is known not to want to accept reinstatement unless he is sure that both the Right-wing rebels in his own party and his adversaries in the three-party ruling alliance of Social Democrats, Christian Democrats and monarchists will cease to try to undermine his administration.

Under an agreement within the coalition, Sr Balsemao's party has the right to name the Prime Minister candidate because it holds 82 seats in the 250-member Parliament, compared with 46 for the monarchists.

His resignation was provoked by opposition from a tiny minority in his party, and from the ambitious Christian Democrat

leader Sr Diego Freitas de Amaral. But it proved to be a tactical move, forcing his rivals to try to find an alternative Premier. This they were unable to do.

Sr Balsemao's answer to his party's request is not likely to come until Wednesday, when he will have met leaders of other alliance parties and outlined his conditions. The delay will also enable President Antonio Ramalho Eanes to discuss the crisis with leaders of the nine parties represented in Parliament, a constitutional formality whenever a Prime Minister resigns.

If Sr Balsemao agrees to return to office, it will be a victory for moderate Social Democrats. His highly conservative opponents have tried to drag the party far to the Right and into perpetual warfare with the middle of the road President Eanes. But they have decisively at this week-end meeting and now look like a demoralised faction.

Swedish public spending should be cut, says OECD

BY DAVID WHITE IN PARIS

A BIG cut in Swedish public spending, even at the risk of higher unemployment, is called for in a report by the Organisation for Economic Co-operation and Development (OECD) published here today.

The report says the Swedish Government may have to accept this kind of sacrifice in the short term to preserve high living standards and full employment later on.

It voices "serious concern" about the country's rising budget deficit and urges a "significant curb" on the growth of public expenditure to shift resources to the competitive sector of the economy.

Such a shift of resources, it argues, is necessary to reduce the current account shortfall, which is expected to remain at around \$4.5bn a year up to the end of 1982. Unless policies are changed, the imbalance risks becoming wider, and this would only increase the threat to jobs.

The OECD says that although Sweden's deficit—about 4 per cent of gross domestic product last year—is not exceptional by international standards, the rise in industrial production and productivity has behind most other countries the OECD area and has been poor. Recent policies seem to have added to structural problems in the economy, it says.

The country faces a growth of about 0.5 per cent this year as a result of weak domestic and foreign demand, according to the OECD's cost. But the economy shows a modest recovery next year as world trade picks up after the oil price crisis. The provisional forecast is for 1.5 per cent growth about the same as in 1980.

WORLD TRADE NEWS

Sharp fall expected in UK share of world markets

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN faces a further large loss in its share of world export markets for manufactured goods over the next 18 months following an accelerating deterioration in the last couple of years.

The latest survey of the UK economy by the Paris-based Organisation for Economic Co-operation and Development (OECD) contains new estimates of changes in the UK's share of world markets.

The recent and prospective deterioration reflects the change in external competitiveness caused by the appreciation of sterling and steeply rising domestic labour costs.

The report forecasts that because of the poor competitive position and weak outlook for world trade, the downward trend in the volume of non-oil exports of goods is likely to continue up to the first half of 1983, but then to recover a little as world trade picks up.

The projections imply a loss of export market share in

manufactured goods of around 20 per cent in 1981 and 1982 taken together, bringing the total loss to almost 40 per cent since 1977.

The deterioration began in 1977-78, since the growth of the volume of manufactured exports was relatively buoyant in the seven years to 1977. The average annual loss of markets was 11 per cent in this period compared with the long-run (1960-79) annual loss of around 21 per cent. Since then the loss of market shares has averaged 6

per cent. Following a moderate improvement before 1977, relative export prices of manufactured goods rose by 27 per cent in the three years to 1980. The rise in relative unit labour costs was even greater—67 per cent—over this period.

There has also been a marked decline in the profitability of exports, as is evident from the falling trend in the ratio of export prices of manufactured goods to domestic producer prices (domestic sales).

UK SHARE OF WORLD MARKETS						
(Percentage change in volume of manufactured goods, annual rates)						
	1970-77	1978	1979	1980	1st half	2nd half
Growth of world markets	7.6	6.8	5.9	4.4	5.1	-0.7
Actual export growth of						
manuf. goods	5.8	-0.9	3.0	0.9	1.7	-8.2
Gains or losses market shares	-1.8	-7.7	-8.0	-3.5	-3.4	-7.5

Source: Estimate by OECD secretariat.

Shipping report Dry cargo market still depressed

By Our Shipping Correspondent

FREIGHT RATES continue to reflect the depressed state of the world's dry cargo and tanker markets. On the key U.S. Gulf-Coast grain trade the rate for 50,000-tonners hardened slightly to around \$9 per dwt, but this compares with last December's peak of close to \$24 per dwt.

Denholm Coates notes that the slight improvement merely reflects the refusal by shipowners to ballast their tonnage out to the markets when rates are so low. The picture in the U.S. Gulf-Japan trade is equally gloomy, with 30,000-tonners in the grain trade commanding no more than \$19.50 per dwt. This compares with a peak last December of \$33 per dwt.

August is traditionally the weakest month of the year in the dry cargo market.

The only consolation for owners is that the dollars they receive for their cargoes are worth considerably more than they were last year. Sterling has fallen by 27 per cent against the dollar since peaking at \$2.45 last October.

China chooses Lehman

BY TONY WALKER IN PEKING

LEHMAN BROTHERS, the American investment company, has signed an agreement to act as advisers to the Bank of China and the China International Trust and Investment Corporation (Citic).

According to a New China News Agency report, Lehman Brothers will advise the Bank of China on "general financial matters," including the purchase and sale of commodities.

The Bank of China has been gradually extending its co-

operation with American financial institutions and three American banks have now set up offices in Peking. The Bank of China is soon to open an office in New York.

These financial contacts reflect growing trade between the two countries and good prospects for extensive co-operation in a range of projects.

Citic was set up several years ago to encourage foreign investment in China.

World Economic Indicators						
UNEMPLOYMENT						
	July '81	June '81	May '81	July '80		
UK	600s	2,851.4	2,680.5	2,558.4	1,896.6	
	%	11.8	11.1	10.4	7.8	
W. Germany	000s	1,245.2	1,125.7	1,109.7	853.0	
	%	4.7	4.3	4.2	3.3	
U.S.	000s	7,502.0	7,764.0	8,170.9	8,267.9	
	%	7.0	7.3	7.6	7.8	
	June '81	1,635.5	1,630.7	1,645.7	1,596.7	
France	000s	7.2	7.2	7.3	5.7	
	%	1,820.5	1,876.5	1,872.4	1,744.1	
Italy	000s	8.4	8.4	8.4	7.3	
	%	360.1	335.9	333.7	221.8	
Netherlands	000s	6.9	6.5	6.4	4.3	
Belgium	000s	42.9	42.6	42.6	33.7	
	%	10.6	10.5	10.5	8.2	
Japan	000s	1,320.0	1,370.0	1,420.0	1,090.0	
	%	2.3	2.5	2.5	1.9	

Source: (except UK, U.S., Japan): Eurostat.

U.S. pegs 'trigger' prices

By David Buchan in Washington

U.S. steel "trigger" prices, set to monitor possible dumping, will stay largely unchanged for the fourth quarter of this year, starting on October 1.

The Commerce Department said this was because production costs were basically steady in Japan, which the U.S. uses as its yardstick for the world's most efficient steelmaker.

But the rise in U.S. interest rates would lead to a 1 to 2 per cent rise in net landed trigger prices, the department said. Short-term U.S. money is borrowed by Japanese trading companies to cover the period of shipment of Japanese steel exports to the U.S.

Major domestic steel companies—U.S. Steel, Bethlehem, Wheeling-Pittsburgh—this week announced price increases for a variety of products. They may thus take it amiss that there is to be no commensurate increase in the import protection system.

The "trigger" price system was reintroduced nearly a year ago, to head off the possibility of private U.S. companies filing their own dumping suits against foreign steelmakers. As such, it has been generally welcomed abroad. But the recent strengthening of the dollar against other currencies has led a number of foreign steel producers to believe they could fairly export to the U.S. at prices below the "trigger" level.

£2m glass contract won by UK

KING Tauter and Gresson, the Sheffield-based glassworks technology group, has won a £2m export contract for a glass container plant in Pakistan.

The turnkey contract, which represents the second largest order ever won by the group, will be its largest engineering project to date. KTG will also be responsible for specifying all the engineering work to be carried out by local sub-contractors in Pakistan.

The plant will be built for Baluchistan Glass and is to be located at Hubchowl, close to the Afghanistan border.

Sch... Shuwaya is coming

BY MARGARET HUGHES IN CAIRO

"SHUWAYA SHUWAYA Schweppes gayya—Little by little Schweppes is coming." Despite Egyptian inability to pronounce the letter "P," so that the key word becomes Schwebbes, this phrase is on everyone's lips this summer. It is the TV advertising jingle used to launch Schweppes soft drinks on the Egyptian market.

So quickly has it caught on that it is being picked up in comic strips and newspaper cartoons. The use of alliteration combining the brand name with the much-used phrase in Egypt, "shuwaya, shuwaya," in a £250,000 (£385,000) TV advertising campaign, has enabled Schweppes to claim 90 per cent brand awareness within weeks of launching its soft drinks here in May.

In a market dominated by cola type drinks, with virtually no brand loyalty—everyone asks for a Coke, but actually drinks any one of a wide range—the establishment of the Schweppes name was vital.

Schweppes has for some years been selling carbonated fruit flavoured soft drinks in countries such as Bulgaria, Yugoslavia, Spain, Turkey and Israel.

In Egypt it has launched a range of five—three fruit flavours, one lemonade and one cola—type drink. Schweppes says that its range has been specially tailored to this market in that the drinks have a higher sugar content to suit the Egyptian's sweet tooth and a softer taste.

Schweppes and the others are lured by the big potential which a country with a 43m population, which increases by 100,000 a month, represents. The present market is already worth over £250m a year at retail prices, and it is estimated that the market could eventually absorb more than twice the current output.

Coca-Cola, which on re-entering the market two years ago predicted a demand of 200m cases by 1985, has had to modify this in view of what is regarded as a temporary squeeze but still anticipates a demand of between 150m and 180m in four years' time.



Ernest Alton, director of Cadbury Schweppes eastern division, and Glenn Coates, Egyptian products

Schweppes will be the first in Egypt to use locally produced fruit bases and concentrates when a new £4m plant is opened at Ismailia.

The £25m plant of El Mohandis Natural Foods is to be officially inaugurated in the northern Cairo suburb of Heliopolis this week. It has an annual capacity of 17m cases (408m bottles), but is currently only operating at about 75 per cent of capacity. This, says Schweppes, is due only to teething problems but is the main constraint on its sales.

It is variously estimated that Schweppes currently has anything between 2 and 4 per cent of the market. It is aiming at 10 per cent this year and doubling it next year. This year's target seems a little ambitious given that Schweppes missed the start of the "season" which begins in March, because the plant was a little late in

commissioning. Sales in July (the month of Ramadan) will inevitably be down and after the end of September sales tend to drop by 30 to 40 per cent.

But it has certainly made a big initial impact. In part this is due to the advertising campaign prepared by a joint British/Egyptian advertising agency, Finlay Perry and Salam. Apart from the jingle itself, the advertisements are well geared to the Egyptian market and the success of the Schweppes launch is also the result of aggressive marketing. The retailer, for instance, gets a far better deal selling Schweppes than other brands—2.6 or 2.75 piastres on every bottle depending on the flavour compared with a minimum of 1.87 piastres on other brands.

In theory, the Schweppes drinks sell for 12 piastres and 14 piastres depending on flavour but in practice they are all sold for 15 piastres due to a combination of retailer greed and the general Egyptian reluctance to give small change.

Although this makes Schweppes more attractive to the retailer to stock, in the long run it could prove a major disadvantage. In the past 18 months pricing has become crucial to the market and once the initial novelty of Schweppes has worn off, people will

become aware that they are paying far more for Schweppes than for Pepsi Cola and Coca-Cola in a similar-sized bottle produced by public sector companies.

This is one of the problems of the Egyptian market. There are two public sector companies which have lower production costs due to subsidised sugar and lower wages.

Their prices, which are in any case lower, are also controlled by the Government, so that the retailer has to adhere to them. This situation has been made even worse by a recent increase in Government production taxes for a 250cc bottle and over. This went up by 3p to 3.5p and for smaller bottles it doubled to 3p.

This gave the Egyptian Bottling Company, the public sector company which produces Pepsi Cola in a 120cc bottle, an additional advantage over its competitors. Other producers, all of whom either came into the market before the tax rise, were selling the larger 250cc bottle.

This tax rise doubled their retailing price to 10p and it has since been further raised in two stages to 15p. Meanwhile Pepsi Cola retails at 7p and Coca-Cola at 7p and 8p.

This gave the Egyptian Bottling Company, the public sector company which produces Pepsi Cola in a 120cc bottle, an additional advantage over its competitors. Other producers, all of whom either came into the market before the tax rise, were selling the larger 250cc bottle.

This tax rise doubled their retailing price to 10p and it has since been further raised in two stages to 15p. Meanwhile Pepsi Cola retails at 7p and Coca-Cola at 7p and 8p.

This gave the Egyptian Bottling Company, the public sector company which produces Pepsi Cola in a 120cc bottle, an additional advantage over its competitors. Other producers, all of whom either came into the market before the tax rise, were selling the larger 250cc bottle.

"You always want it at the last minute!"

How many times have you heard that from your secretary? But the most important things are often the last minute things. And that's where you want to save time. Time that costs money.

The Philips P 2000 Micro-Computer helps you to deal with all sorts of work quickly and efficiently.

Anyone who can use an electric typewriter can operate the Philips P 2000. It's as simple as that.

What's more, you'll be agreeably surprised by its reasonable price!

Simplicity and versatility – that's what makes the P 2000 ideal for the small business. Even if you only use the P 2000 for correspondence, it pays for itself. Letters

needing correction don't have to be fully retyped – simply call up the stored text on the screen and type corrections in.

You can change text easily, turn it around or add or delete whole paragraphs. The new correct letter appears on the screen instantly.

Touch a key and as many originals as you like are typed out. And stored rou-


time letters are typed out automatically.

But this is only a fraction of what the P 2000 can do. It can do much, much more. Bookkeeping, invoicing, statistics and record systems.

So the P 2000 offers you everything you need for a small business or as a self-employed professional. A total computer service that you can quickly and easily put to use

in all areas of your business.

And behind all this, naturally, is the Philips name. The name that stands for experience and first class service.



Please send me complete information on the Philips Micro-Computer P 2000.


Name _____

Address _____

Philips Business Equipment, P 2000,
Postfach 100, D-4000 Düsseldorf 1, FRG

Philips Austria, P 2000,
Trafik Service, A-1040 Vienna E

Philips Micro-Computer



Simply for everyone.

UK NEWS

New enterprises being encouraged in the Welsh valleys

COLIN JENKINS decided to opt for redundancy at the British Steel Corporation's Ebbw Vale steelworks in 1975. Today, he, his brother and a third partner are busy expanding their own business, TCK Rewinds, which repairs and services electric motors in an adjoining unit. Nick and Celia Lund, a husband and wife team, have set up their own company, Chronicle Miniatures, to produce miniature figurines for war and other fantasy games.

Next door to them, another new company, Liffey, established by Jeff Hughes and two other ex-employees of Ethelred Products of Rummy, is producing polythene mainly for cold water and drainage pipes, using secondhand equipment purchased from their former company when it went into receivership.

Further along again, Ainsleigh Sykes is using his wide-spread management experience, and a £10,000 golden handshake from his last employer, Hymac Engineering, to build up a specialist engineering company, PWS Precision Engineering. New door to his enterprise is Mike Bamber who has forsaken the job of general manager of a South Wales plastic film company to establish his own business, Nosilla, producing recycled polythene crumb from waste plastic wrapping and bags.

These fledgling entrepreneurs are tenants of BSC (Industry) workshops at Brynmawr, near Ebbw Vale. They have seized the opportunity offered by the

British Steel Corporation subsidiary which has been charged with the task of creating new jobs in steel closure areas.

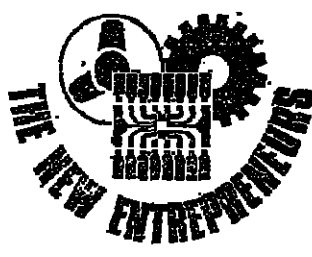
The Brynmawr workshops were officially opened last October in what was previously the sports and social club of Dunlop's Scunbury subsidiary next door. Overall, they cost BSC (Industry) £300,000 to buy and convert into 20 essentially spartan units, varying from 100 sq ft to 3,000 sq ft. The first three tenants were already in and working before the conversion was completed.

Today all but one of the units has been let to start-up businesses which are already providing 50 new jobs.

BSC (Industry) sees the workshops as a place where a business idea can be tried out and either abandoned easily or expanded to the point where it becomes feasible to rent proper factory premises.

The units are licensed to tenants rather than leased, eliminating legal costs and allowing tenants to leave at short notice. The licence fee, payable monthly, in advance, includes building insurance and repairs, and day-to-day maintenance, and works out at between £1.50 to £2 a sq ft.

In addition, the budding entrepreneurs also get the help and advice of the site manager, Mr Ray Davies, a former Ebbw Vale employee who knows the local area and services well, and of an experienced BSC manager, Mr Preston Powell, seconded to BSC (Industry). He is on call to advise on the



Robin Reeves looks at efforts by BSC (Industry) to encourage job creation

strategic development of the businesses.

All the tenants feel the arrangements offer the right conditions for getting a new enterprise on to a sound footing during the difficult initial phase. TCK Rewinds, for example, was started in private premises which cost £500 a month in rent and rates—an outlay which was threatening to bankrupt the company before it had really started.

The three partners had turned to the Welsh Development Agency and, according to Colin Jenkins, were at one stage promised financial aid and a 1,500 sq ft factory. "But when it came to the nitty gritty we were told we were an indigenous service industry and therefore could not be granted aid. It was then suggested that we move to Hereford for six months and reapply."

At Brynmawr, TCK is paying only £112 a month in rent and rates which has given them a chance to recover. After a slow start, turnover is about £5,000 a month and in the past few weeks the company has had difficulty in keeping up with demand.

"Hopefully, by this time next year we will be out of the workshop into bigger premises but we are moving cautiously. We still need a hoist, a compressor and lathe to do jobs which we are presently farming out but could do ourselves," Colin Jenkins says.

Ainsleigh Sykes is also critical of the WDA terms for start-up businesses.

"They wanted me to commit myself to eight years' rent on one of their units, which is sheer nonsense in the current business climate. As things were last October, no business

came in at all. It could have closed but for the fact that my overheads were minimal."

His previous company, Hymac, gave him some orders to carry the business through the rough patch. Now the work is flooding in and Mr Sykes is planning to expand his workforce from nine to 14. Apart from doing general sub-contracting work in precision engineering, he is also designing and manufacturing jigs and fixtures and developing a new product to be marketed through a separate organisation.

In contrast, the Lunds have experienced no hiccups since taking over a workshop to launch their models business. Demand has grown rapidly from the moment they started production six months ago. They are already exporting the miniatures to half a dozen countries.

"All the businesses here have now got momentum," is the verdict of Preston Powell, the BSC co-ordinator. He sees them all fulfilling the central purpose of the workshops—a place where the aspiring entrepreneur can find his feet, before knocking on the WDA's door.

With the Brynmawr workshops now virtually all let and a steady flow of inquiries for accommodation still coming in, BSC (Industry) is studying other possible workshop premises in the area. In Cardiff, it has an even more ambitious workshop scheme nearing completion—the conversion of the former administrative block of the East Moors steelworks into 85 units. Some of these have been let already and three new applicants are being interviewed each week from a daily flow of inquiries.



Nick Lund of Chronicle Miniatures, one of the new companies in South Wales finding its feet in the Brynmawr workshops

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Aug 21-31	Motorcycle Show—BIKE '81 (01-353 1200)	Earls Court
Aug 22-26	International Craft and Hobby Fair (04252 72711)	Wembley Conference Centre
Aug 22-28	Solar World Forum—International Energy Society Congress and Exhibition (01-493 8601)	Brighton Centre
Sept 2-5	Business and Light Aviation Show (01-643 5040)	Cranshaw Airfield
Sept 6-9	Wholesale Jewellers' Autumn Fair (0858 20721)	The White House
Sept 6-10	Watch, Jewellery and Silver Trades Fair (01-643 5040)	Regents Park
Sept 8-10	Laboratory SI Exhibition (0799 22612)	Earls Court
Sept 8-11	International Carpet Fair (01-339 5041)	Grosvenor House, W1
Sept 11-13	National GB Show (01-437 1002)	Exhibition Centre, Harrogate
Sept 13-15	14th International Menswear Fair (01-437 0601)	Old Nordcultural Halls, SW1
Sept 15-17	Industrial Environment Show (01-686 6338)	Earls Court
Sept 15-22	International Plastics Exhibition—INTERPLAS (021-705 8767)	Olympia
Sept 15-15	Offshore Europe SI Exhibition and Conference (01-549 5831)	National Exhibition Centre, Birmingham
Sept 15-26	Chelsea Antiques Fair (0727 3600)	Aberdeen Town Hall
Sept 20-23	London Sports Trade Show (01-353 4000)	Earls Court
Sept 21-26	International Garage Equipment Trade Exhibition—GARAGEQUIP '81 (01-235 7000)	Olympia
Sept 22-23	CCC Business Studies: First National Credit Management Convention and Exhibition (021-643 3589)	Warwick

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Aug 24-28	International Public Works and Municipal Services Exhibition—CIVICON (01-456 1951)	Johannesburg
Aug 25-Sept 2	International Exhibition of Agriculture, Machinery and Produce (01-456 1951)	Mexico
Aug 25-Sept 6	International Fair of Consumer Goods (01-874 6034)	Stockholm
Aug 26-Sept 2	International Fair (01-724 0523)	Frankfurt
Sept 4-13	International Radio and TV Exhibition (01-540 1101)	Berlin
Sept 5-8	International Exhibition of Sports Goods and Outdoor Activities (01-339 3561)	Paris
Sept 6-12	International Autumn Fair (01-493 3111)	Leipzig
Sept 9-12	Electronic Packaging Exhibition—INTERNEPCON (01-390 0251)	Taipei
Sept 9-17	International Engineering Fair (01-278 0291)	Brno
Sept 12-13	International Trade Fair for Tableware, China, Glassware, Cutlery and Metalware Accessories (01-204 7116)	Salzburg
Sept 11-20	International Autumn Fair (01-456 1951)	Zagreb
Sept 14-18	SE Asian Production Machinery and Engineering Equipment Exhibition (01-456 1951)	Singapore
Sept 19-20	Scandinavian Fashion Week (01-540 1101)	Copenhagen
Sept 20-23	Hardware Trade Fair (01-439 3964)	Paris

BUSINESS AND MANAGEMENT CONFERENCES

Aug 19	Institute of Credit Management: Credit Clerks Training Day (0990 23711)	Kensington Palace Hotel, W8
Aug 24-29	National Association of Corporate Real Estate Executives: Investment Opportunities in the Northeast U.S. (Germany Tel. 4189509 bred.)	Boston, Mass.
Aug 25	Management Training Consultants: Modular Approach to Supervisory Training (0533-27062)	Aberdeen
Sept 3	Citizens' Rights Office: Income Maintenance and the Personnel Officer's Job (01-405 5422)	Cora Hotel, WC1
Sept 7	British Computer Society: Query Languages for the End User (01-637 0471)	Mount Royal Hotel
Sept 10	IPS: Materials for industry—present and future (0950 2711)	Europa Hotel, W1
Sept 10-12	Institute of Local Government Administrators: Employment—the Local Government Response (0206 43212)	Birmingham
Sept 12-26	Seatrade Academy: Anatomy of Shipping (0223 353451)	Cambridge
Sept 13	CBF: Introducing single status employment—what's the difference? (0799 7400)	Centre Point
Sept 15	The Henley Centre for Forecasting: Revitalise your market thinking (01-353 9961)	London Press Centre
Sept 16-17	Financial Times: Euro-Korean Symposium (01-421 1535)	Brussels
Sept 17-18	The Economist: International Oil Supplies and Stockpiling Conference (01-539 7000)	Hamburg
Sept 17	Freight Transport Association National Conference: Efficiency in the '80s (0892 26171)	Wembley Conference Centre
Sept 17	Institute of Directors: The financial and legal implications of management buy-outs (01-639 1233)	Pall Mall, SW1
Sept 21-23	DIBC UK/Tullett and Riley: Foreign exchange and money market dealing (01-758 5123)	Great Eastern Hotel, EC2
Sept 22	IPS: Materials Management (0990 23711)	Europa Hotel, W1
Sept 22-24	IBM: Planning and control for data processing managers (01-864 5573)	Garwick

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

Accountants' publicity all-clear spelt out

BY ROSEMARY BURR

FULL DETAILS have been given of the relaxation in professional rules to allow accountants to advertise for the first time from October 1.

This major change in policy by the Institute of Chartered Accountants and the Association of Certified Accountants comes five years after the Monopolies and Mergers Commission report recommending that prohibition of advertising was not in the public interest.

The form of advertisement agreed limits accountants to a brief summary of the services and the address of their local office.

The advertisement, not exceeding 10 sq in, must appear in what is deemed an appropriate local publication.

The large accountancy firms are unlikely to take advantage of the new freedom to advertise, as most of their clients are corporations already aware of the services available.

The main guidelines for advertisements were announced in spring. The rules will be reviewed after a year, and may be changed in the light of that year's experience.

Advertising must be in a local newspaper or similar local publication. It has been decided that the Standard, the London evening paper, does not fall

into the category of "local" papers.

The advertisements will not be permitted in the trade or professional press. The new rules prohibit advertisements in publications such as football or theatre programmes, or in regional inserts of publications with a national distribution.

Professional rules will require that advertisements:

- Must be factual, not likely to mislead, and contain no explicit or implicit criticism of the professional services of others.
- Should make no claim to any particular expertise. Any reference to services offered should be restricted to auditing, accountancy, preparation of accounts, book-keeping, trusts, personal or corporate taxation, management consultancy and general financial advice.

The word "computerised" may be inserted before any of these if appropriate.

- Should be of a style and content appropriate to the profession.

- Make no reference to fee levels but include a statement to the effect that the basis of the fee will be discussed before an assignment is accepted.

- Make no reference to any office outside the circulation area of the paper in which it appears.

Lloyds to advertise mortgages on TV

By our Banking Correspondent

LLOYDS BANK plans to become the first bank or building society to advertise mortgages on television. It is launching a major TV advertising campaign at the end of this month as part of its plans to increase its share of the home loan market.

Mr Fred Crawley, the bank's deputy chief general manager, said yesterday: "Traditionally, building societies have been the place to go for mortgages but this is now changing rapidly. We can give a quick decision, often right away but always within a few days.

"Funds are readily available now and there is no waiting in a queue as is frequently the case with building societies."

Lloyds was the first clearing bank to introduce a formalised mortgage scheme in 1979. It has now upgraded its scheme and plans to promote it heavily among estate agents, solicitors and accountants, in addition to its £500,000 national TV and Press advertising campaign.

In common with other banks, Lloyds has introduced a special "Home Loan Rate" which will be more stable than bank base rate.

Telecom price rise sharply attacked

BY JASON CRISP

BRITISH TELECOM has been sharply criticised for the latest round of increases in telephone charges by the Telecommunications Users' Association.

If the latest rises are allowed to go ahead, it says, this will mean telephone charges are increasing at nearly 30 per cent more than the level of inflation this year.

It points out that British Telecom is expected to reduce its prices in real terms by 5 per cent a year and adds that over the past decade the corporation had missed its target by 6 per cent.

The association says that the number of administrative staff in the corporation increased by 5 per cent last year. Mr Michael Corby, director of the TUA, commented: "This surely cannot be right, at a time when all of British industry is cutting back to fight the recession."

While recognising the need to maintain British Telecom's high levels of investment, it welcomes the shift towards reducing prices of trunk calls. However, it is seriously concerned at the apparent failure of British Telecom to produce the results of improved productivity when so many factors are so favourable.

"The failure to keep rises to a given level below inflation is

manifest," it says. "And this is the price customers have to pay for the failures on the productivity front."

The Telecommunications Users' Association also accuses the corporation of statistical chicanery in its presentation of the latest price increases.

The association points out that between 1970 and 1980, telecommunications prices will have risen 20 per cent less than the retail price index, over the 12 years. It says this represents a fall in real terms by 24 per cent yearly, only half the rate required.

"What it means is that out of its average growth of about 10 per cent a year, only one quarter of that growth has benefited its customers and there has been no productivity or technological benefit passed on to customers."

"This suggests a serious and continuing deficiency in the monitoring and control arrangements of successive governments. TUA therefore recommends the Post Office Users' National Council to ask Government to explain what it is doing to remedy this deficiency."

The association also calls on POBNC to ask British Telecom what it is doing to check the growth of staff numbers.

Red tape could hinder inner city technology centres

Elaine Williams shows how MSC rules could undermine a £5m Government work experience plan

BUREAUCRATIC restrictions could undermine the success of the Government's £5m plan to set up 20 centres to give the young unemployed work experience in electronics and computers.

This fear has been expressed by Mr Chris Webb, director of the Notting Dale Technology Centre who was asked last week by Mr Kenneth Baker, Information Technology Minister, to help establish the network modelled on his own centre.

The Government plan is to provide work experience for young people, mainly in troubled inner areas with high youth unemployment in cities such as London, Bristol, Manchester and Liverpool.

At each centre about 30 trainees, supervised by six full-time staff, will receive up to one year's training. As well as Government funds, local high technology companies have been asked to give support in the form of seconded staff, equipment and advice.

Salary subsidy

Each centre will cost £250,000 to set up. The Department of Industry will provide £35,000 per centre plus a salary subsidy, while the Manpower Services Commission (MSC) will pay trainees' allowances, staff salaries and capital costs through the Youth Opportunities Programme.

Mr Webb's misgivings stem

from the fact that the MSC, which is putting up the bulk of the finance, is not prepared to run the new "information technology centres"—so called because they will be opened in 1983, designated Information Technology Year by the Government—on exactly the same basis as Notting Dale.

Strict rules

According to Mr Webb, the MSC will be laying down very strict rules as to the use of the workshop facilities it will be funding. But the concept of Notting Dale which has been operating in West London for 18 months is that a very flexible approach is needed.

For example MSC rules will preclude the use of workshops for any other activity than training. "It is not interested in encouraging enterprise or creating new jobs," Mr Webb said.

Mr Webb maintains that taking risks and encouraging the growth of new companies is an important function of the Notting Dale centre and should be equally central to the national network. Already two new businesses are being set up by Notting Dale.

But Mr Webb argues that its training role is clearly laid down by the Government and its Department of Industry's micro-

processor applications project.

The total cost for the centre, which is housed in a converted bakery, was £250,000. It provides basic workshop facilities, with several other activities, centred around it, such as a microprocessor consultancy which has 101 backing.

Training courses for professional engineers have also been run through the consultancy, and new products developed, by the six professional staff who also train up to 30 trainees at a time.

Already two businesses are being created through the centre. The first, a company called "Countermeasures," is headed by Dr Richard Helyer, an entrepreneurial engineer.

With three ex-trainees, Dr Helyer will produce a sophisticated microprocessor-controlled data logger which has a wide variety of applications in industry.

Risk money

The centre has put up some of the risk money to start the company off and Mr Webb says that when the product makes a profit, money will be ploughed back into the centre to set up new enterprises.

The centre is also setting up a "workers' co-operative" called "Tools for Living" which will make electronic aids for the dis-

abled. This will cost £25,000 and the aim is to break even financially rather than make a profit.

Advisers to the co-operative include Mr Roger Jecocks, inventor of the "Possum," a machine to help the severely handicapped to communicate. Mr Jecocks has been able to put the technology centre in touch with possible users and more than 300 letters have been sent to local health authorities making them aware of the new products.

The centre also enjoys the status of a limited company, which helps to protect the people who work there if any of its business activities fail.

Public scrutiny

Here again, the MSC would not allow other centres to have limited liability because all its work must remain open to public scrutiny.

Mr Webb argues that if every centre were allowed to have a microprocessor consultancy attached to it some of the MSC restrictions on enterprise and reducing risk to the people who run the centres could be avoided by creating new businesses through the independently funded consultancy.

The first centres should be operating by next spring and Mr Webb has agreed to work closely with the Government for a year in the hope that the final blueprint for the technology centres will resemble more closely the original one so much admired by Mr Baker.

Financial Times Conferences

ASIAN AEROSPACE CONFERENCE

Singapore, 24 and 25 September 1981

Aviation in South East Asia is expected to expand dramatically in the next decade. In Singapore itself the opening of the new Changi airport has created an opportunity to exploit the existing civil aviation expertise and to create new opportunities not only as a focal point for airlines and their ancillary services, but also in the development of an indigenous aerospace manufacturing industry. Mr E. M. Corright, President, Lockheed-California Company, Senior Vice-President, Lockheed Corporation, Mr T. J. Bacher, Director, International Business, Boeing Commercial Airplane Company, and Mr Jean Pinet, Director, Aerofabrication, a subsidiary of Airbus Industrie, will be considering the help that the world aerospace industries can give in building up an aircraft industry.

WORLD TELECOMMUNICATIONS

London, 15 and 17 November 1981

The British Telecommunications Bill, how British Telecom proposes to compete in a liberalised market and the role of the private sector in supplying new types of telecom services are topics to be discussed in a forum on the British experiment, which is part of this major symposium. The keynote address will be given by Mr Kenneth Baker, MP, Minister of State for Industry and Information Technology.

All inquiries should be addressed to:

Financial Times Limited
Conference Organisation
Minster House, Arthur Street
London EC4R 9AX

Tel: 01-621 1355

Telex: 27347 FTCONF G

Cables: FINCONF LONDON

North East haven helps inventors to create jobs

BY RHYS DAVIE

A FORMER knitwear factory in Pelaw, Gateshead, has just been turned into an inventors' haven. Feasibility studies are being carried out on a number of new devices that will, for example, remove tubeless tyres from car wheels, stop household electric cable from knotting, crush rocks, and clear oil slicks.

The Tyne and Wear Innovation Centre has been set up by the county to provide inventors with an understanding ear in technical advice, patenting and design help, and access to workshops. Anyone else with a product in mind can also make use of the facilities.

The aim is to get good ideas to the prototype stage so that their inventors can then set up business. From these it is hoped a steady trickle of jobs will

emerge to make some impression, however small, on the North-East's 14 per cent unemployment rate.

The centre will occupy two 2,500 sq ft buildings, one of which is being completed. The centre was officially opened two weeks ago but has been in business informally for several months.

"We were expecting our clients to be skilled men who had been made redundant after spending most of their lives in the workshops of Tyneside," says Dr Jim Hedley, a metallurgist who had been running the technical planning department at Delta Metal before he took over as centre manager earlier this year.

"In fact many do not have direct experience of using workshop equipment and a good

number are from outside the area," he says. To help those who need it, Dr Hedley is hoping to recruit skilled unemployed men with the help of the Manpower Services Commission.

In the meantime the centre is helping its first clients with preliminary problems, including patenting. "Most of them have not got a clue how to go about this," Dr Hedley notes.

Individuals using the centre, particularly the unemployed, will only have to pay a small fee, though it is possible they may be asked to pay a royalty on any project which is successful. Companies using the centre will have to pay a more economic fee.

The centre has been given a budget of £220,000 over three years with Tyne and Wear

County Council contributing 25 per cent and the Government's Newcastle-Gateshead inner city partnership the balance. An application has also been made for EEC funds to be used, probably in place of government funding when this runs out.

Strong support has also come from local bodies. The company's board includes representatives from the Tyne and Wear chamber of commerce, from the Northern regional TUC, from local industry and from Newcastle and Sunderland polytechnics. These last two also help to evaluate ideas passed on by Dr Hedley.

"We have had a remarkable response to our requests for machinery. Nearly all the workshop equipment we needed has been donated," Dr Hedley notes. Inventors whose ideas seem

to have a future will be passed on after the prototype stage to other sources of help in the region.

The City of Newcastle, for example, has converted a group of factory units into an enterprise workshop, offering space to small businesses coupled with access to a common pool of metalworking and woodworking equipment. The budding entrepreneur will only need to buy materials and find rent to get started.

Tyne and Wear has also set up an enterprise trust with a broad remit to encourage local entrepreneurs. The trust, which will have a budget of about £250,000 over three years, will provide advice and assistance, as well as financing, in many schemes where

Minister predicts action on the closed shop

FINANCIAL TIMES REPORTER

MR NORMAN TEBBITT, Minister of State for Industry and one of the ministers most in tune with the Prime Minister's views, yesterday predicted that there would be further legislation on the closed shop within the lifetime of this Government. But he implied that he did not agree with the demands of Tory rightwingers for a total ban on the closed shop.

Mr James Prior, the Employment Secretary, is already planning another Employment Bill for the next session which would increase the compensation to around £30,000, for those who refused to join a union. It would also ban "union only" clauses in commercial contracts.

Last week's ruling by the Strasbourg Court of Human Rights on the three former British Rail employees is likely to increase Tory backbench pressure for tougher action against the closed shop.

Interviewed yesterday on LBC radio, Mr Tebbitt attacked the "bullying and conscription measures" used to get people to join trade unions. He said that in the wake of the Strasbourg ruling the Government would try to deal with issues like the closed shop in a "sensible and civilised manner". But, like Mr Prior, he stressed

TUC to warn Prior on new legislation

THE TUC's influential Employment Policy and Organisation Committee will issue a warning to the Government on Wednesday not to introduce further legislation on the closed shop, following the decision in favour of the three railwaymen by the European Court last week, John Lloyd writes.

The TUC's response is a blow to the hopes of Mr James Prior, the Employment Secretary, that reforms can be passed in labour law by consent. It may, in fact, and may strengthen the hand of Tory rightwingers in their call for the eventual abolition of the closed shop.

Mr Bill Keys, chairman of EPOC and general secretary

of the print union Sogat, said yesterday that the changes which it was now understood Mr Prior might make would "bring a response similar to that seen after the 1971 Industrial Relations Act."

The TUC then waged a successful campaign against the Act's provisions which contributed heavily to the Government's defeat in 1974.

Mr Prior's changes are thought to be largely concerned with restricting the operation of the closed shop. They are likely to include a raising of the maximum compensation for job loss through refusal to join a closed shop from £17,000 to £30,000, a curb on "union labour only" contract clauses

and an extension of balloting provisions on the closed shop.

Mr Keys said that "as far as we are concerned we will seek to oppose the Government in every possible way. We are not interested in proposing new arrangements. A document to be prepared for the EPOC meeting on Wednesday gives the background on the European Court's judgment, and stresses that it made no general case against the closed shop."

Mr Keys said that the TUC guidelines on the closed shop—which provide for non-membership for those with genuine reasons of conscience for not belonging—were still in operation.

left with conscription and balloting to get people into the union then there is something wrong with the union itself. I think all these conscription measures and balloting that we have seen things as the closed shop. We should try to deal with them in a sensible and civilised manner without putting the whole industrial relations issue in question."

Questioned about the recent speech by Mr John Biffen, in which the Trade Secretary suggested there was a national advantage in unemployment, Mr Tebbitt said that Britain's industry as a whole had become extremely overmanned, inefficient and uncompetitive.

The only way new jobs will be created is by getting more competition than we have at the moment. That means we must have fewer people on our production lines. Unemployment is an appalling thing. But it is something we have to go through in order to get our industry as efficient as that of our rivals."

Mr Tebbitt said the rate of unemployment "is a level that will be with us for some time because recovery from the recession will not be quick, and even when it comes we will not take all these people back. Two employment, because production has increased so much."

Journalists challenge NUJ fines

By Our Labour Correspondent

THE THREE journalists who were fined £750 each by the National Union of Journalists for refusing to work in the course of an official dispute are challenging the fines. They have also demanded that the issue be put to a postal ballot of the membership.

The fines were imposed by the NUJ's national executive last month after a union disciplinary panel recommended that the three be expelled from the union.

The decision was taken by a substantial majority of the executive, but a minority argued that the fines—believed to be the largest ever imposed by a union on its members—amounted to effective dismissal.

The three all work for the *Illustration* magazine, which was called out on strike by the NUJ last December in protest at the closure of a sister paper, the *Camden Journal*.

The three penalised journalists returned to work in March after 13 weeks on strike. A number of their colleagues are continuing with the action.

Automation 'will hit office sector jobs'

By JOHN LLOYD, LABOUR CORRESPONDENT

WARNINGS OF "devastating" reductions of employment in the office sector as a result of the introduction of new technology under increasingly conditions have come from two of the country's major white-collar unions.

Mr Roy Grantham, general secretary of Amcu, said yesterday that "large-scale, long-term staff unemployment is something that we shall continue to face as long as government and employers continue to take such a shortsighted and blinkered attitude to redundancy caused both by the recession and the introduction of new technology."

Mr Grantham referred to a report on the effects of the recession on office employment which had been published by the *Illustration* magazine. He said that the 10 per cent staff reduction estimated by the report to have been made because of the introduction of computerisation systems was "an underestimation of the true impact of new technology on employment levels."

This was because jobs lost in the recession, for whatever reason, were likely to disappear from the labour market

forever. "When the recession finally ends—as opposed to when the Chancellor says it has—these jobs are likely to be replaced by office technology which, as the report acknowledges, is growing at 20 per cent of the present time."

Mr Grantham said investment had to be made in skills and knowledge or the UK would emerge from the recession worse off than before.

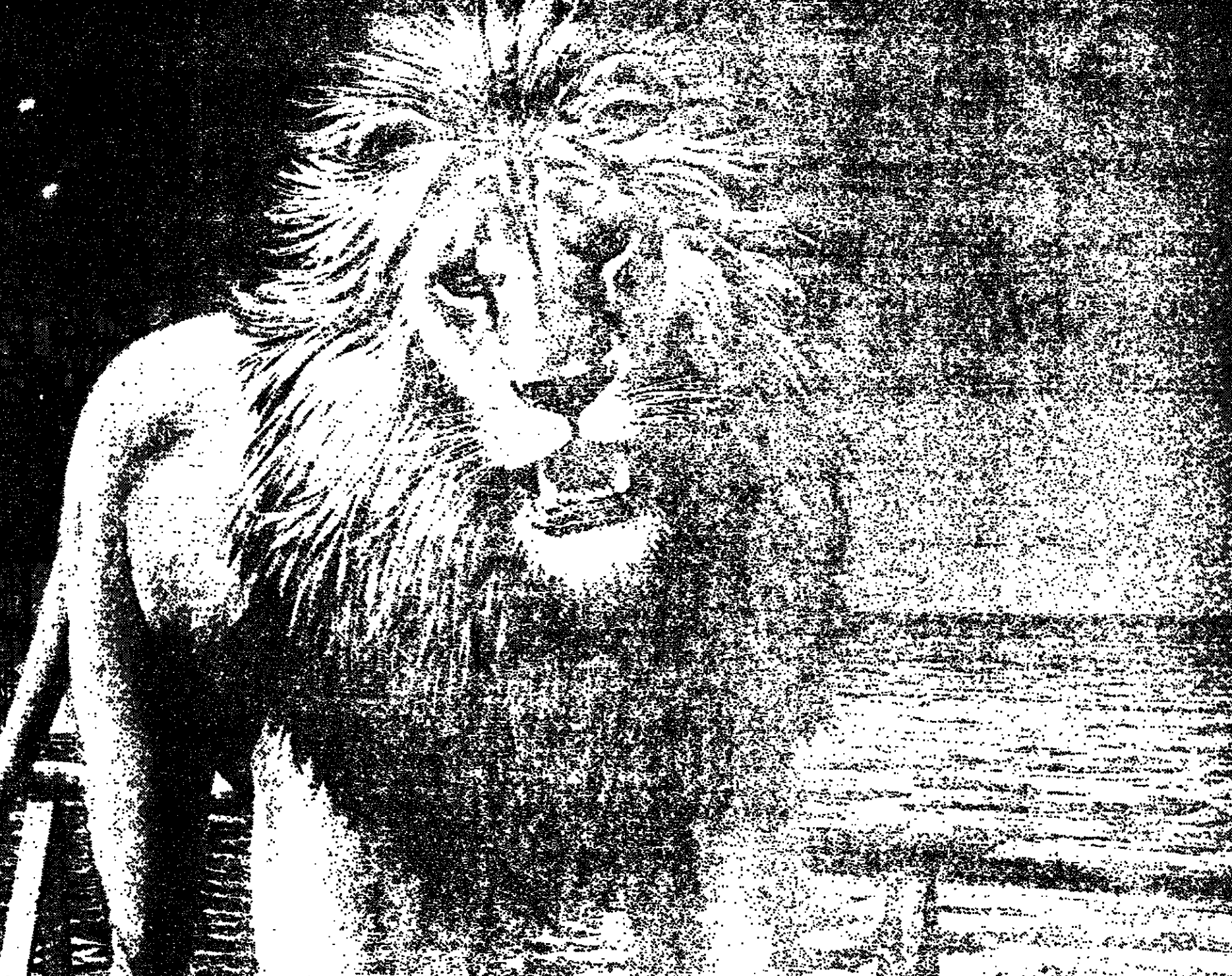
The National and Local Government Officers Association, in a report on office technology, says that automated equipment could "devastate" the 2.2m-strong office workforce.

It calls upon the government to play a central role in directing investment, and to exercise control over employers and employment. It urges negotiators to reject productivity and redundancy deals in favour of shorter working hours, paid retraining and redeployment.

It notes that women, who make up the bulk of the office workforce—especially in the lower grades—will be particularly hard hit.

The future with new technology: a Nalga 1200 from Nalga, 1, Malbodon Place, London W11 4AJ.

To prosper in the energy jungle, you need an edge.



The Edge:



That's us. The Royal Bank of Canada. As North America's fourth biggest bank and with assets exceeding \$Cdn. 60 billion, we have consolidated our international strength as a bank, by adding to our long established technical expertise in energy and mining. What makes us a world leader?

Our Global Energy and Minerals Group, with the largest reserve of technical experts on staff of any bank in the world. What we get into.

Led by the former Chairman of Canada's National Energy Board, our technical division enables us to become involved in diverse

and distant projects—from financing North Sea oil to acting as financial advisers on a major Australian pipeline.

What we do.

We can handle project evaluation and financial structuring in oil sands, synfuels, rigs, pipelines, refineries and petrochemicals.

We lend financial support to offshore petroleum development, conventional oil and gas production, rigs, heavy oil, enhanced petroleum recovery, coal mining projects, you name it.

There's more.

With the help of our Resource Information

and Analysis Group, we provide expertise in oil and gas price forecasts, costs and royalties, as well as government regulations, project intelligence, energy and minerals information resources. We also provide modelling and simulation of project financial flows and risk. How to tap our resources.

You can reach the Global Energy and Minerals Group at its offices in London, Singapore, Denver, Dallas, Houston, Calgary, Toronto or Vancouver.

Then again you can contact us through any of our 200 operating units, located in 44 countries around the world.

Within as little as 24 hours, we can have experts on your site to discuss your needs. We have the lending capacity to do business of any size, anywhere in the world.

We know you want fast, accurate results. That's what we give.

We know you want people who understand your business. That's what we have.

We know you want a world class bank with proven capabilities. That's what we are.

To survive and prosper in today's energy jungle, make our edge your edge. Call us.

 THE ROYAL BANK OF CANADA
North America's Fourth Biggest Bank.*

* Ranking by deposits as of Sept. 30, 1980.

TECHNOLOGY

EDITED BY ALAN CANE

Microprocessor biological freezer may help leukaemia sufferers

By Mike Wiltshire

BONE MARROW transplantation is a promising technique for prolonging the survival of patients with acute leukaemia. For patients who do not have a suitable donor, their own marrow may be "harvested" while in remission, then stored in liquid nitrogen and used later, if a relapse occurs.

Now, the London Hospital has installed a new microprocessor-controlled biological freezer with the aim of extending the treatment of patients who suffer from leukaemia and the more common forms of cancer (eg in the lungs, pancreas and oesophagus).

Very high doses of radiotherapy and chemotherapy could kill a patient because of side effects which destroy

normal bone marrow. However, doctors are hopeful of eradicating cancer cells—knowing that, after treatment, the patients' stored bone marrow can be returned to them, thus hastening recovery. The key to the problem is the BV-6 programmed biological freezer, developed by Cryoson of Holland and marketed in Britain by Cryotech of Stan-ford-in-the-Vale, Faringdon, Oxfordshire.

Larger scale

At the London Hospital, where the Department of Haematology has taken delivery of a BV-6 Cryotech freezer, Dr Adrian Newland and his team have already carried out bone marrow transplants on a small scale.

To freeze bone marrow and lymphocytes, they have previously used two Cryotech units. But with the new BV-6 freezer, with its microprocessor temperature controller, they will be able to carry out this work on a much larger scale.

The advantage of the BV-6 over other "issue-freezing" methods is the degree of control it gives the user: it provides repeatable programmed freezing not only for bone marrow and lymphocytes, but also fibroblasts, spermatozoa, platelets and other biological specimens.

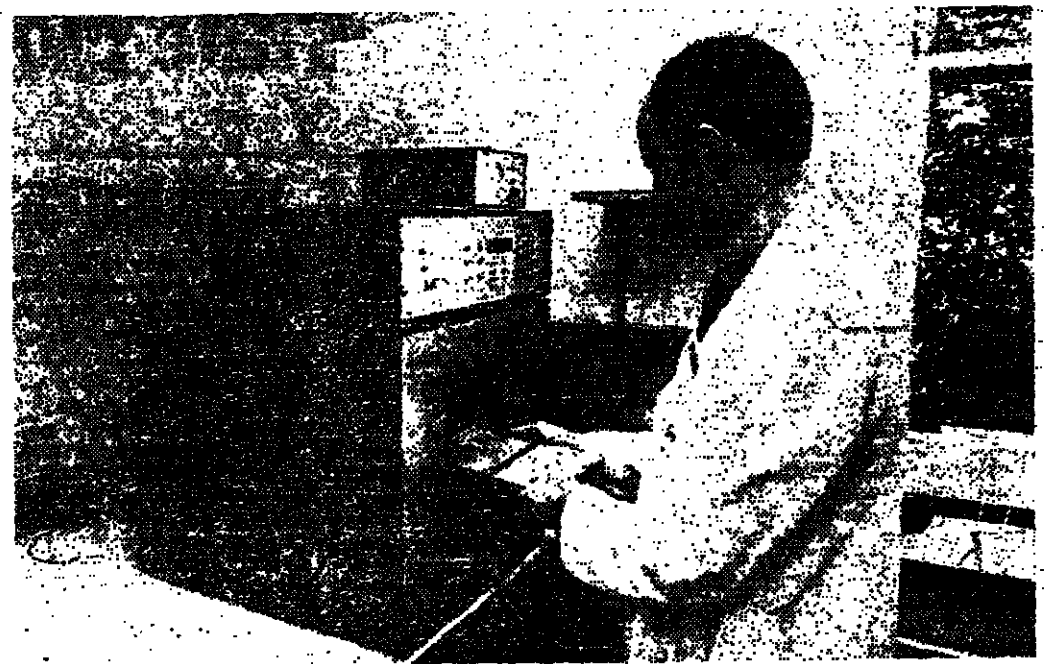
Both slow and rapid freezing programmes can be used over a temperature range of +50 degrees Centigrade to -200 degrees, with the rate of change adjustable between

0.5 and 40 degrees a minute.

A key feature of all programmes is the incorporation of a "cold shock"—this lowers the temperature very rapidly to remove the heat of fusion. With the aid of protective stabilisers, such as glycerol and dimethyl sulphoxide, this prevents the formation of large crystals which would otherwise disrupt the cells.

Where crystallisation temperature is unpredictable, the BV-6 uses a thermocouple in the reference ampoule. This senses the moment of crystallisation—indicated by a rise in temperature as the heat of fusion is released—and causes an extra injection of liquid nitrogen to be made in the cooling chamber.

More details on 03677 671.



Dr Adrian Newland with the biological freezer at the London Hospital

POINTERS

Portable check on the temper of chocolate

SIMON GREER of Newton-le Willows, Merseyside has developed this portable instrument to check the temper of chocolate used for depositing, moulding or enrobing. Called the Series 80 Tempermeter there are two units with a main control with inkless chart recorder, allowing the operator to compile a continuous roll or individual tear-off records. The second module contains three sample tubes and an inkwater bath in a thermos bottle. The tubes are designed to take a 10-gram sample. More from Simon Greer on 08252 5171.

5821151, the European outlet for the peripherals division of Perce of California.

For companies needing to train several engineers, the video learning system soon becomes cost-effective—and it is an invaluable source of instant refresher training," says Mr Alan King of Perce. The programme is self-paced to accommodate individual schedules and learning requirements.

jointly developed by Celanese Plastics and McClean Anderson of Wisconsin, U.S.

The machine, the mark six filament winder, is available in Britain from Amcol of Watford, Hertfordshire (0823 33616). It is equipped with a computerised control system which permits rapid control of complex fibre-layering and the programming of a large number of winding sequences.

Terminal housings

COMPUTER terminal housings manufactured by Bopla in West Germany are now available from West Hyde Developments, Aylesbury, Bucks. (0298 20441). Options include apertures for a 12 in screen or anodised aluminium panels for mounting floppy disc drives.

Auto filament winding machine

A HIGH-SPEED fully-automatic filament winding machine, designed specifically for the production of carbon fibre and glass fibre reinforced tubular products has been

Video tape teaching package

A VIDEO-TAPED teaching package will help cut the cost of repair and field maintenance of computer disks and tapes has been announced by Perce International of Reading (0734



PVC strip for safer welding

A NEW PVC strip which makes welding safer has been developed by Marvil of Bristol in conjunction with ICI Plastics.

Like conventional dark green welding strip, the new product, known as welding bronze, can be used in mobile or fixed screens to surround welding operations and protect the eyes of passers-by from ultra violet transmission.

The new strip differs in being highly transparent—preventing more than 99 per cent of UV transmission, but allowing most

of the remaining light spectrum through.

Marvil says that where dark green strip tends to cut welders off from the outside world, the new bronze strip gives almost perfect two-way vision. Details on 0272 612255

BUILDING AND CIVIL ENGINEERING

Trollope and Colls wins £35m

NEW HEADQUARTERS for the Standard Chartered Bank in Bishopsgate, City of London, will be built by Trollope and Colls which announces an award of £35m from Britain's largest independent international bank.

Standard Chartered is directly represented in about 60 countries through a network of more than 1,500 offices. Its new HQ will be an eight-storey building with three basement levels. It will have air conditioned offices, executive suites, dining and kitchen facilities, underground car parking, strong rooms and a banking hall.

Designed by the Fitzroy Robin-on Partnership, the building's prime feature is the atrium which encompasses an area from the ground to fifth floor level. This will be landscaped with streams and pools.

Specially imported 35 feet tall magnolia trees are to dominate the area with planting at the different floor levels.

To be carried out in three phases, work starts on the first two phases this month. The building will be on piled foundations with excavations of up to 30 feet for the basements.

The company says that a specially designed scheme will be carried out for the substantial temporary works for structural support which includes the use of over 500 tons of steelwork.

Forming the main structure are reinforced concrete cores, columns and suspended slabs. Cladding will be in South American granite with curtain walling hung from the sixth floor level on the Bishopsgate elevation. Also in this eleva-

tion, at the second floor level, is provision for the continuation of the City Walkway.

The site is bounded by Great St. Helen's and Crosby Square at the rear and, in order to maintain access to the square from Bishopsgate, the company will build a temporary road and divert services so that the existing road can be moved to make way for construction.

Four cores containing lifts and staircases will serve the building and there are separate goods lifts and a car lift into the basement parking area.

Trollope and Colls says that finishes will be to the highest standards, with false ceilings and suspended floors and the development is scheduled for completion mid way through 1985.

Laing's £30m in two cities

RENTALISING CAMBRIDGE and at Albans gives Laing Management Contracting £15m each for two major city projects.

Work is now underway in Cambridge for Grosvenor Developments' scheme to be known as the Grafton Centre. This comprises a shops and homes development with a bus interchange and car parks with completion promised in time for Christmas shopping in 1983.

Adjoining Fitzroy Street, Burleigh Street, Fair Street and Napier Street, the site will

feature a Debenhams department store, a supermarket, a variety of shops, and stores and a shopping hall for small businesses. Design of the Grafton Centre, says Laing, has been approved by the Royal Fine Arts Commission.

Construction work of the Cambridge two-storey high centre will be of bored piled foundations, reinforced concrete frame and brick cladding. Aiming to help the centre blend with surrounding buildings, is the use of 100,000 Cambridgeshire bricks which were

salvaged during demolition on site and are now being cleaned for use as cladding on some of the frontages. Above the shops will be 38 flats and maisonettes and the present car park at New Square will be landscaped and grassed.

Bredon Consulting has awarded the management contract for construction of a shopping precinct and refurbishing existing buildings at Chequer Street, St. Albans. Initial clearance of the city centre site will be followed by extensive archaeological excavations continuing until the spring of next year.

This development is bounded by Chequer Street, Victoria Street, Marlborough Road and London Road, and is being carried out in co-operation with the city and district of St. Albans.

Included in the project are a department store, supermarket, two large store units, 32 new shop units, and 10 refurbished units already in existence. There will also be a library, 42 flats for up to 73 people, exhibition and meetings rooms, a games and creche area, and parking space for 654 vehicles.

First phase of the work takes in renovation and adaptation of existing buildings in Chequer Street and Victoria Street, and creation of a new pedestrian entrance for the development.

Archaeological surveys will continue while the work is progressing, says Laing, which plans completion by mid-1984. Construction of the new shopping precinct will be of in situ concrete frame with brick cladding and tiled, pitched roofs.



Newport Borough Council's answer to the problem of persistent rutting and deformation of the asphalt wearing surface of the main A48 in Newport, Gwent, is the use of concrete block paving supplied by BDC Concrete Products.

Pictures show part of the road which has been frequently and unsuccessfully repaired on a downhill slope where many commercial vehicles brake before making a right turn.

The section was torn away for replacement by the council's own direct labour force of block paving laid into a 50mm laying course of sand.

Taywood in Nigeria

FOLLOWING AN earlier contract won this spring for road works on a section of the Jimeta-Bama road in north east Nigeria, Taylor Woodrow announces another contract, value £8.3m, awarded by the Federal Ministry of Works, Lagos.

This is the tenth road contract won by the company this year and involves rehabilitation and asphalt surfacing of the 88 kilometre Gubulu-Bama section of the Jimeta-Bama road.

It is close to the Cameroon border and over 1,600 kilometres by road from Lagos in a part of the country that Taylor Woodrow of Nigeria has not worked before.

In order to serve this scheme, and the one awarded in March, a new quarry has been established near the town of Gubulu which will provide crushed stone necessary for pavement repair and asphalt for the road surface.

Work should start on site within the next couple of weeks with completion scheduled for March 1983.

Work has started on the Lewes job which should take about 18 months to complete.

Two NEW contracts just awarded to Miller Buckley group are worth over £3m and are both located in Sussex.

Cartisier Construction of Hove has made a £1.8m award for the construction of about 5,000 square metres of open-plan office accommodation at Davagor Road, Hove.

Incorporated within an L-shaped block, one wing will have three floors, with the other on eight floors, with part over an open parking area on the ground floor. Work is already under way and will take about 18 months to finish.

Cutting and carving for success

BY DEBORAH PICKERING

A MAN who was already well-versed in the values of refurbishment when nearly everyone around him seemed to be intent on bulldozing anything which looked old or frail is John Lelliott, head of the group which bears his name.

Now, he has been able to watch as the concept of refurbishment has spread, encouraged by the rocketing costs of new construction work and the desire to preserve the best of building design. Modernisation work has now become a life-saver for small and larger building companies alike.

John Lelliott cut his teeth on the knots of early refurbishment problems, and foresaw profits and considerable kudos in this area of the building industry 18 years ago.

He now runs 20 companies and proclaims:

"Where there is a tender list of, say, six companies for a high class refurbishment job in the City of London, our name will undoubtedly appear."

Lelliott has specialised in this field, happy to pick up schemes worth under £1m up to three or four millions, but says he will also take on "out of the ground jobs".

Now in his mid-forties, he started on his own at 26, a surveyor who loaded up his own lorries at six in the morning, working through until 1 am the next day.

From a Queen Anne house in Mayfair the Lelliott style comes across in terms of old fashioned virtues like craftsmanship, ingenuity and integrity. I suspect, however, that he inhabits his West End base with reluctance and infrequency, preferring the company's south west London headquarters at Raynes Park, where, he says:

"All my directors and colleagues are workers. I believe that teamwork is essential—and I have a first class team."

An example of the "cutting and carving" essence of refurb, which often means the preservation of a favoured facade and loving recreation and restoration of the building behind it, is South Kensington's Goethe Institute.

Here, the company married together two buildings which had to be underpinned. Then there was the removal of party walls and external structural work, all making way for the present new offices, lecture

halls and a library.

This was not, in cash terms, a big contract, but one which Lelliott was determined to undertake.

After work on architect Walter H. Marmorek's monument to Goethe, there followed a Lelliott fantasia in the shape of Regine's night club sprouting from Perry and Tom's roof garden in Kensington High Street.

This project left a chill on the company's balance sheet and still causes Lelliott to grin ruefully in recalling that the exercise at least made a change from usual orders like period office buildings, luxury flats, Tate Gallery work, super-markets, high street stores and McDonald's hamburger take-aways.

The Lelliott ingredients involve mixing a single company with other well disciplined arms—electrical, shopfitting, exhibition, plant hire, mechanical services, management fee and so on—to offer a complete construction service, but there is clear evidence that the "big boys" have started to move in on his territory.

Lelliott discounts the big six which concentrate on the multi-million new construction projects, but he sees a quickening tide of others anxious to keep their workforce afloat and their order books buoyant.

Should the invasion gather momentum, he is still sure that he can hold on to what he feels is his own market, and he points out that the contract side of his business turned over £26m in the year ended June 1981 (previously £18m). With John Lelliott (Hford) throwing in another £10m this year, the group is going to top £36m.

"And," says John Lelliott, "there is nothing old fashioned about that figure in 1981."

Here, the company married together two buildings which had to be underpinned. Then there was the removal of party walls and external structural work, all making way for the present new offices, lecture

Atlas Copco
Compressed Air Technology

Multi function bench meter by Philips

A MULTI-FUNCTION testbench meter introduced by Philips has been named the digital measurement centre—a new term for a new class of instrument.

By applying microprocessor control of both operation and measurement processing to a medium-priced voltage/current/resistance/temperature measuring instrument, Philips has considerably extended the range and speed of measurement—without increasing the price. The PM2521 4½-digit test meter sells for £295, plus VAT.

Among the meter's range of features is time measurement—from 10 milliseconds to 99,999 seconds. It can, therefore, determine both pulse widths and time intervals up to more than 24 hours.

For AC measurement the meter gives particularly accurate true-RMS (AC coupled) indication, with a bandwidth of 100 kHz to cover high-order harmonics and a crest factor of two at the range end to avoid clipping sharp signal peaks.

More details on 0224 358866.

Line scan recorders

OFFSHORE Environmental Systems (0734 782158) is offering a new generation of line scan recorders with memory capability. Manufactured by Raytheon Ocean Systems in the U.S., the recorders, it is claimed, can provide large signal gain through visual integration which reveals spectral information normally concealed by noise.

A NEW range of low voltage cubicle mounted fuse switches to meet BS and most international specifications with current ratings from 63 to 800 amps at 500V has been introduced by MK Switchgear, Yardley, Birmingham. Details on 051-706 4262.

Auto dialler for telex users

A MINI auto dialler for single and multi-line telex users, and for electronic mail systems has been launched by Automation and Technical Services (ATS), of Haywards Heath, Sussex (0444 52377).

Designed for the office and small telex rooms, the dialler is a mini version of the K3700 store and forward auto-dial system.

Priced at about £9,000 or £350 a month on lease, the mini dialler is suitable for store and forward of shorter standard text messages to numerous multiple addresses.

The system is based on a 16-bit microprocessor with a combined address library and message store memory of 46,000 characters. ATS says that

likely users for the system will include company buyers, shipping, commodity and insurance brokers, mail order and distribution companies.

The company has also introduced a high-speed tape preparation system, designed to simplify the production of telex and telegraph message tapes. This is achieved by linking a new punch and reader combination unit into an ATS Videl telegraph-compatible VDU. Messages can be keyed-in on a standard keyboard and displayed on the screen.

The tape preparation system is priced at £4,050, including the visual display unit. On its own, the punch reader combination unit costs £1,450.

Hunting Gate 4444 More than 100 builders (0462) 4444

Border is busier

THE WHITEHAVEN based contracting company of London and Northern Ireland, Border Engineering Contractors, has announced a number of new contracts which total over £2m.

Highway improvements to the open cast haul road at Pica for Cumbria County Council are worth £741,000. Two schemes, together worth £150,000, will result in an extension to Spillers food factory at Maryport for English Industrial Estates, and extension of Whitehaven Rugby Club premises at Hensingham.

In Scotland, the Borders Industrial Council has awarded £682,000 for construction of an old people's home at Scott Park, Galashiels and, in the same region, the company is to erect a health centre at Eymouth for the Border Regional Health Board (value £244,000).

Mowlem arms at home and away

TWO COMPANIES in Mowlem International's Construction group have together won over £1m worth of work, the largest contract going to Ernest Ireland of Bath, for building and civil engineering work at ISC Chemical's complex at Avonmouth, the CEGB at Oldbury nuclear power station, for Kalfelke DIY store and garden centre in Bristol, and David Evans store restaurant in Swansea.

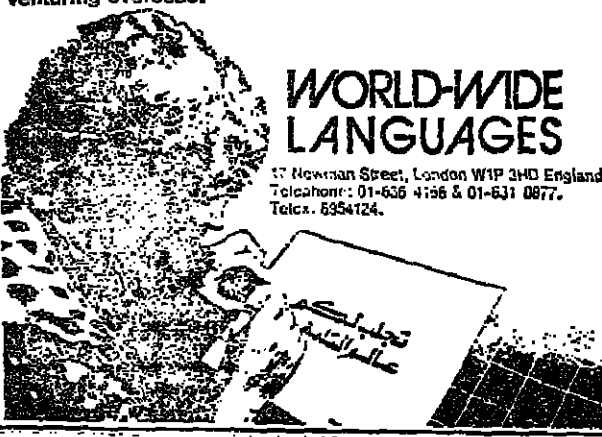
Drilling rig equipment for Nigeria comprises an order for Littlehampton-based Duke and Ockenden which says has been won against intensive international competition.

Tekural Unique flat roof insulation
Evode Roofing Limited, Common Road, Stafford ST16 3EH. Telephone: Stafford (0785) 45121

SPECIFYING IN ARABIC?

...or German, Russian, French, Spanish ...?

If so, you'll need the fast, confidential and supremely professional services of World-Wide Languages, Europe's leading multi-lingual communications group. We're acknowledged the world-over as the real experts in converting technical documents from one language to another and for the quality of the finished printed product. We'll also help with advertising, exhibition and promotional work where our experience and expertise invariably produce very good business for clients venturing overseas.



WORLD-WIDE LANGUAGES

17 Newman Street, London W1P 3HD England
Telephone: 01-636 4196 & 01-631 0877.
Telex: 6354124.

FINANCIAL TIMES

Eurobond Quotations and Yields



The Association
of International
Bond Dealers

AT 31st JULY 1981

The Association of International Bond Dealers (AIBD) compiles current market quotations and yields for Eurobond issues. These quotations and yields are published monthly by the Financial Times. The Association's prices and yields are compiled from quotations obtained from market-makers on the last working day of each month. There is no single stock exchange for Eurobonds in the usually recognised sense—secondary market trading business is done on the telephone between dealers scattered across the world's major financial centres. Membership of the AIBD (which was established in 1969) comprises over 350 institutions from about 30 countries.

Eurobonds in July

BY OUR EUROMARKETS STAFF

THE HIGH level of U.S. interest rates continued to depress international bond markets last month. While many traders expect rates to fall over the medium term, hopes for an imminent decline were premature in July. Indeed the month ended with renewed upward pressure on money market yields.

Investment houses, which had stocked their bond portfolios with high yielding Euro-dollar bonds before July, were reluctant to do much buying or

selling during the month. Trading on the secondary market was thin and prices of dollar bonds slipped gradually by about 2½ points on average over the month.

The German and Swiss markets were also quiet, losing 1 and 2 points respectively. Activity on the Swiss sector was largely confined to the new issue market, while in Germany the new issue market is all but extinct.

In the dollar sector, the market ignored favourable eco-

nomie figures as attention was confined to short term interest rates. A sharp decline in the U.S. economy in the second quarter and a four point fall in the inflation rate failed to have any meaningful effect on prices. The money markets were also unimpressed and interest rates actually moved up during the week these figures were announced. They were still unchanged the week after despite further signs of a downturn in the U.S. economy which was offset by the announcement of

a huge treasury refinancing—some \$81bn. This only underlined market fears that the tax cuts voted in Congress will conflict with U.S. monetary policy, keeping interest rates at a high level.

The most innovative new dollar issue in July combined two current fashions—bonds with warrants and zero coupon bonds. Citicorp, through its overseas finance corporation, launched the issue—nominally \$100m—a few weeks after it had completed a \$150m five-year, straight issue which carried a 15 per cent coupon. The bonds were priced at 66½ per cent of par, yielding 14.42 per cent. Each bond has two tradable warrants attached which allow the holder to buy \$2,000 of seven-year zero coupon bonds, priced to yield 14½ per cent. The issue aroused much interest and sold fairly quickly.

Continental investors, particularly the Swiss, were also attracted by a short spate of high yielding U.S. utility straight issues, including a 17 per cent five-year issue from the Public Service Company of New Hampshire which broke the high coupon record.

Meanwhile, U.S. energy companies preferred to tap the convertible sector of the euro-dollar market but with considerably less success. Investors were more interested in the Japanese names which regularly appeared in July and two of the U.S. issues had to be reduced and one was withdrawn. Japanese companies have voiced their intentions to step up borrowing

in this sector and \$1bn of new issues is scheduled for September.

The only straight issue to be withdrawn was one for the European Investment Bank. The \$500m eight-year 15 per cent bond was launched during one of the most unstable periods in the month and the EIB and lead manager, CEB (Securities), decided to cancel the issue.

Only one new issue was scheduled for July, a DEM 200m, 10 year, 10½ per cent bond for the World Bank. The issue sold out very quickly but bankers say there is a shortage of good quality borrowers willing to pay current rates. Some foreign borrowers tapped the domestic Schatzschein market which is more discreet than the foreign bond market and connects the

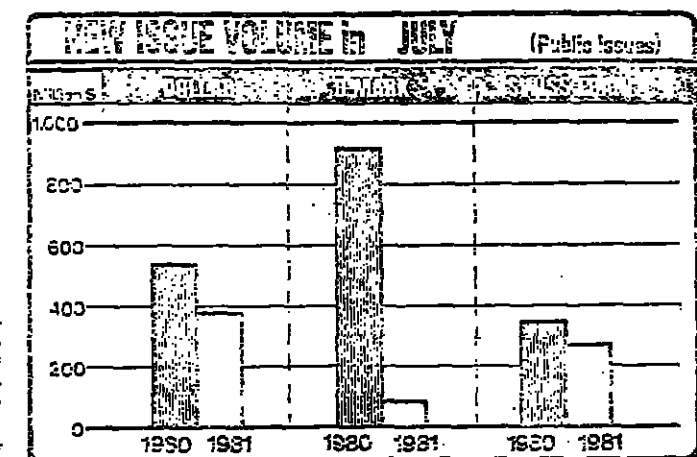
yields in the domestic market where the differential was 22-25 points by the end of the month.

Relatively high interest rates in Germany and Switzerland are likely to continue even after U.S. rates come down. Little hope is held in Germany of budget cuts easing the heavy government financing on the capital markets. In Switzerland, the inflation rate leaves little room for a drop in local rates.

Activity on the Swiss market was far greater on the primary sector than on the secondary sector. The Swiss franc has recently appreciated against the Deutsche Mark on the foreign exchange market and the lack of new issues in Germany means funds have been steadily flowing into Switzerland. Such relatively good demand for new issues saw coupon rates for prime borrowers drift from 7½ to 7 per cent to 7 per cent over the month.

Increased selectivity among investors led to the postponement of an issue from the Mexican borrower, Nafinsa, and, after the poor reception afforded to the Compagnie Française des Pétroles issue, the French Treasury asked French borrowers to restrict their use of this sector for the time being.

Trading activity on the Euro-guilder market was concentrated on the three recent issues with historically high, 12 per cent, coupons—AmRo Bank, World Bank and Centrale Rebo-bank. Average yields on Euro-guilder bonds rose by 30-40 basis points to end the month at 11½ per cent.



Three Mexican borrowers, Vitro, Tamsa and Pemex,

launched floating rate notes at the beginning of the month, preferring this market to the Euro-credit market where there is a 15 per cent withholding tax. Securities issues are now exempt from withholding tax.

The state of affairs in the D-Mark primary market was little changed over the previous

fact they are prepared to pay such high coupons.

The secondary market for foreign D-Mark bonds shed a point over the month after an early slump from the flow of interest payments into the market on July 1. There were few signs of any real investor interest in the market after this. Any potential investors would have realised higher

CONTENTS

GROUP HEADINGS	PAGE
US Dollars—Algeria	II
—Argentina	II
—Australia	II
—Austria	II
—Belgium	II
—Bolivia	II
—Brazil	II
US Dollars—Canada	II
—Colombia	II
—Denmark	II
—Finland	II
US Dollars—France	II
—Germany	II
—Greece	II
US Dollars—Hong Kong	II
—Hungary	II
—Iceland	II
—Iran	II
US Dollars—Ireland	II
—Israel	II
—Italy	II
US Dollars—Japan	II
—Korea	II
—Luxembourg	II
—Mexico	II
—Netherlands	II

GROUP HEADINGS	PAGE
US Dollars—New Zealand	II
—Norway	II
—Panama	II
—Papua	II
—Portugal	II
US Dollars—Singapore	II
—South Africa	II
—Spain	II
—Sweden	II-III
US Dollars—Switzerland	III
—Venezuela	III
—United Kingdom	III
—United States	III
US Dollars—Multinational	III
—Supranational	III
US Dollars—Floating Rate	III
Australian Dollars	IV
Austrian Schillings	IV
Canadian Dollars	IV
Euro-guilder	IV
Euro Composite Units	IV
Euro Currency Units	IV
Euro Units of Account	IV
French Francs	IV
Hong Kong Dollars	IV

GROUP HEADINGS	PAGE
Japanese Yen	IV
Kuwait Dinars	IV
Kroner (Denmark)	IV
Kroner (Norway)	IV
Luxembourg Francs	IV
Saudi Riyals	IV
Sterling/DM	IV
Australian Dollar/DM	IV
External Sterling Issues	IV
Sterling Floating Rate	IV
Special Drawing Rights	IV
Convertibles—Australia	IV
—Canada	IV
—Denmark	IV
Convertibles—France	IV
—Hong Kong	IV
—Japan	IV
—Luxembourg	IV
—Netherlands	IV
Convertibles—Singapore	IV
—S. Africa	VI
—Sweden	VI
—Switzerland	VI
—U.K.	VI
Convertibles—U.S.	VI

The table of quotations and yields gives the latest rates available on July 31, 1981. This information is from reports from official and other sources which the Association of International Bond Dealers considers to be reliable, but adequate means of checking its accuracy are not available and the Association does not guarantee that the information it contains is accurate or complete.

All rates quoted are for indication purposes only and are not based on, nor are they intended to be used as a basis for, particular transactions. In quoting the rates the Association does not undertake that its members will take in all the listed Eurobonds and the Association, its members and the Financial Times Limited do not accept any responsibility for errors in the table.

COMPILED FOR THE ASSOCIATION OF INTERNATIONAL BOND DEALERS BY dataSTREAM International Ltd

Extel® International Bonds Service

The increasing number and complexity of international bonds mean that successful dealing must be based on easy access to accurate and complete information. EXTEL'S International Bonds Service puts that within reach of your hand—and up-dates it every week.

PART 1 comprises:

- ★ News Sheets.
- ★ Comprehensive Index.
- ★ Early Warning of pending equity changes, adjusted conversion terms, defaults, early calls, etc.
- ★ Conversion Terms Index.
- ★ Classification by Countries.
- ★ Clearing Symbols (CEDEL and EURO-CLEAR).
- ★ Redemption Supplement—with 'double-up' option details.
- ★ Floating Rate Issues—Coupon details.

PART 2 consists of Individual

- Issue Sheets, giving for each:
- ★ Borrower.
- ★ Security.
- ★ Lead Manager.
- ★ Interest rate.
- ★ Maturity.
- ★ Issue Price and amount.
- ★ Principals.
- ★ Paying agents.
- ★ Redemption.
- ★ Place quoted, etc.
- ★ Denominations.

This is the most comprehensive Bond Service; it is a vital tool.

© Extel is the registered trade mark of The Exchange Telegraph Company Limited.

To: Extel Statistical Services Ltd.,
37-45 Paul St., London, EC2A 4PB.
Phone: 01-253 3400. Telex: 262687

I should like to know more about
Extel's International Bonds Service

Extel
GROUP

Name _____
Position _____
Firm, etc. _____
Address _____
Telephone _____

A resource for resources

Efficient use of known resources and exploration for new ones are more important today than ever before. The Bank of Tokyo itself is an excellent resource for such activities. It offers clients a wide range of international finance functions.

You are assured of reliable services to meet your specific needs by the priceless assets of experience, diversified activities and tested resources of the Bank of Tokyo. Knowledgeable bankers, investors and businessmen know that the Bank of Tokyo is the proven Japanese specialist in international finance.

With its own extensive worldwide network, the Bank of Tokyo is an important part of the international network that determines the direction of today's global economy.

We invite you to use our resources for your own purposes.

Active on all five continents



Leaders in international banking since 1880
BANK OF TOKYO

[illegible][illegible]

[illegible]

THE ARTS

Olivier

Much Ado About Nothing

by MICHAEL COVENEY

The National Theatre last presented this play, directed by Franco Zeffirelli, in a mood of high comic opera, with Maggie Smith and Robert Stephens at the peak of their dual form. Since then, two RSC productions have supplied highly considered contexts for the central double act: John Barton's Victorian version had Donald Sinden and Judi Dench as a pair of slick stylists advancing with every sign of reluctance towards middle age; Howard Davies's small-scale version gave us the trappings of a society adjusting to the aftermath of war with scant regard for the skinniness of wit that characterises the relationship of Beatrice and Benedick.

The first thing to be said about Peter Gill's revival, beautifully composed on Alison Chitty's green baize floor in front of a reversible garden wall arrangement and four neatly revolving paretoids, is that it shows off the developing talents of Michael Gambon and Penelope Wilton. Whenever they are together, the stage hums. The trouble is, as Howard Davies possibly realised, Beatrice and Benedick are not together all that often. And, in cricket terms, Peter Gill's company, like the Australian touring side, is displaying a very long tail.

The support work is frankly inadequate. A crowd of neatly choreographed grey-costumed actors moving scenery, dancing politely and marching tidily to church does not constitute any sort of reverberative context. However pure and careful the staging — and most of it is just that — modern audiences must surely expect more of an interpretative impulse. The whole point about Beatrice and Benedick is that the wars have created a lacuna in which they are now finding their feet. You get no sense here of a society deprived of its menfolk suddenly invaded by their men. What you do get is a perfectly

respectable evening running off the Peter Gill assembly line. On the credit side, no production I have seen has catered so well for the farcical logistics at the play's centre, where first Benedick and then Beatrice are alerted by their respective companions to the truth of their love. Alison Chitty's design is here triumphant for the arches and alcoves of the brick wall allow for unambiguous "reaction" work in full light. Michael Gambon is equipped with a ladder, which he heaves around behind the wall in order to eavesdrop on the manufactured gossip. Gambon's reading of Benedick is a revelation: the naïf suggests, in an innate dullard, whose slowness is continuously undermined by an unlikely gift of the gab.

His voice has acquired a sort of endemic sob not unlike that practised by Scofield, and his declaration that "This can be no trick!" after his emotions have been turned inside out is hilarious because, without vanity, that is what he believes. One can hardly imagine this puffy-featured, slow-moving buffoon having attained any kind of military reputation except by accident.

In sharp and delightful contrast, Penelope Wilton is all movement and expressive joy; indeed she starts in imitation of a lawping through the arches just as somebody ascribes to her that similarity. There is a melancholic base to the performance as well. She makes more of the fact that her mother cried when she was born than that a star danced. This molten quality, allied to the now perfect precision of vocal technique, makes her a very special actress indeed.

As you would expect, the scene in the church after the denunciation and "death" of Hero (Caroline Langrishe), is truly riveting, lodged as it is in the couple's concern for their friend. The command "Kill Claudio!" is issued by Wilton



Michael Gambon

Leonard Burt

after a very long pause and the ensuing row, with Gambon bristling like a surprised hedgehog, takes us straight into the projected marriage. So much of the other acting is crude in execution that the Don John plot often seems ludicrously melodramatic. Don Pedro (Robert Swann) cannot keep his hands off Claudio (Tim Woodward) resulting in a sublimated homosexual theme I would have expected Gill to have handled with more

subtlety. Despite Bernard Glover's Yorkshire Dogberry sounding absolutely right ("A good old man," he says of Verges, "he will be talking"), the playing of the "Watch" scenes are singularly wooden and unfunny.

Some lovely music by George Fenton is beautifully sung by Balthasar (Christopher Snell) and a harmonising trio at Hero's tomb. But outside of the central duet, the evening lacks spark and vigour.

Karl Böhm

As reported on Saturday, the Austrian conductor Karl Böhm has died in Salzburg, aged 86. Born at Graz in 1894 he studied mainly in Vienna, returned to Graz to begin his career at the opera there, was encouraged by Karl Muck and Bruno Walter. The latter invited him to 1920 to Munich in a junior opera post. Darmstadt and Hamburg followed, then Dresden in 1934 as successor to Fritz Busch. The nine years in Dresden were the peak of Böhm's pre-war career. They included his London debut in 1936 when the Dresden company and its fine orchestra came to Covent Garden, and they saw a rivalling association with Richard Strauss. Böhm conducted the premieres of *Die Schweigsame Frau* and *Daphne*, which Strauss dedicated to him.

He was Director of the Vienna State Opera in 1943-45 and again in 1954-56. The second exile included the opening of the rebuilt opera house with Böhm conducting *Fidelio*. From now on he was a freelance but remained closely associated with the Vienna Philharmonic. He made his New York debut at the Met in 1957 and was heard

in many musical centres (including Bayreuth from 1962) in opera and concert. He remained active to the end and was expected to conduct *Ariadne* during the present Salzburg Festival.

As his numerous recordings show Böhm's conducting united sense and sensibility with long experience and great professional competence. He was not one of the great individual personalities who became legends, like Mahler, Toscanini or Furtwängler. There was an essential and outstanding sameness about his readings, yet when the score and the circumstances demanded, as in the memorable Salzburg *Frau ohne Schatten* of a few years ago, his conducting could develop a mighty dramatic sweep.

Strauss and Wagner apart, Böhm was mainly associated with Mozart and the Viennese classics, but he did not neglect the music of our century and was an ardent champion of Bernd Weisbach. He held the honorary title of Generalmusikdirektor of Austria and was President of the LSO, an orchestra with which he established a warm rapport.

Northern Ballet returns to Sadler's Wells

Northern Ballet Theatre is returning for a second season at Sadler's Wells Theatre from October 26-31. During this week they will be presenting two full-length works, Chaikovsky's *The Nutcracker*, choreographed by André Prokoryev, and *A Midsummer Night's Dream* choreographed and produced by Robert de Warren.

This second ballet, to be performed on October 30 and 31, is an entirely new setting of

Architecture

Architects on holiday by COLIN AMERY

If you want to get some idea of how architects spend their time when they are travelling on their holidays, or abroad looking about them, go along to the Royal Institute of British Architects at 66 Portland Place, London, W1, where on the second-floor gallery is a new exhibition called *A View of Place*. The show runs from today to September 11, Monday to Friday, 10-6. It is a selection from the rich archive of the Drawings Collection of the British Architectural Library, made by Jane Preger.

The idea behind the show is a good one. It is to put before us the actual record of a place visited by architects and some architectural draughtsmen and illustrators. By letting us see some of the very best topographical drawings from the collection it is possible to join these architects on their travels and see Italy, Greece or even India through the eyes of several generations of visually conscious building enthusiasts.

The drawings date from the early 19th century and run almost to the present day. They are all finished works, not the pages of sketch books. This does not mean that they lack immediacy; what it does mean is that the quality of the drawings is high. I found the exhibition a particular delight at this time of the year when the thoughts of abroad and the occasional glimpse of the sun even on these shores makes one aware of the effect of light on buildings and the glory of stones under the sun.

Of course the one place so many architects and lovers of building have to visit and draw is Venice, and that it where this exhibition starts. There are four pencil sketches by John Ruskin made in 1877, a little more tentative than some of his Venice works, but immediately they tell how he looked at things. He had a view of the completeness of Venice that extends to the margins of these sketches.

Sir Reginald Blomfield, born in 1856, was an architect who styled life as a convinced Arts and Crafts man but was to end his career as a very refined exponent of the Classical style, particularly the French-influenced classical style. He drew up the elevation designs for the Regent Street Quadrant and to judge from the drawing he made of the Salute Church in Venice in this exhibition he had an eye for the classical detail that was highly developed.

Albert Hall/Radio 3

Weekend Proms by RONALD CRICHTON

A sudden spate of light music at the Proms, mostly by Johann Strauss — deliberate satyr-play perhaps to Thursday's *Ariadne*, stressing the point that Richard Strauss wanted to write a really light opera but that librettist Hofmannsthal's pen was tempted beyond and around the target. Not many people, surely, could seriously want to exchange *Ariadne* for another Gypsy Baron — *Der Zigeunerbaron* in English (Geoffrey Dunn's translation), given on Saturday by the BBC Concert Orchestra and Opera Chorus under James Lockhart.

The music, brimming with gusto, elegance and instant communion, is splendid, remaining with one for life however much or little one fancies the particular flavour. The libretto is paprika-kitsch, flat and uninteresting. Saturday's cast read out of dialogue painstakingly. Alexander Oliver (Otto) made his lines sound almost distinguished. Derek Hammond-Straud sang with an air of proving that in English the pig-farmer Zsupan is not a crash-boring bore. Teresa Cahill as heroine Sami made gorgeous sounds but caramelised her words. Lillian Watson took the soubrette role of Arsena prettily. Anna Collins was superb as Arabella. Catherine Denley deputised competently

for Katherine Pring as the old Gypsy.

The second part had a sharp and welcome shot in the arm from Noll Murray as Governor Homonay, bringing the kind of authority and personality-projection with which Maria Ewing dominated the Prologue to *Ariadne* two evenings earlier. Homonay is not much of a part, but one sat up and listened, to Mr Murray's speaking as well as to his singing. One does not have to be authentic in opera but one does need to be good. On the whole, an evening of mild tediousness, not Strauss's fault. The Prommers however

took it out on the composer by swaying and twirling during the dance numbers, coming dangerously near incivility to the artists. There is not much advantage in having Mr Hammond-Straud to do a point number if you dance while he is singing.

Friday's programme by the BBC Symphony under Rozhdensky, surrounded Mozart's and Bartok's Concertos for two pianos with a peculiar frill of light music, mingling Russia and Vienna — Rozhdensky's way perhaps of saying to the Viennese "Here I come." The Russian conductor's determined

cultivation of good light music is admirable but his choice is erratic. The dances from Glinka's *A Life for the Tsar* were worth hearing, especially the waltz. The Johann Strauss pieces, including a polka arranged by Shostakovich, might have been left undisturbed. Shostakovich's "Tahiti Trot" fantasy on Youman's "Tea for Two" is a curiosity worth playing once, as the encore demonstrated, rather than twice. Rozhdensky effectively encouraged the antics of the front rows. Peter Frankl and Tamás Vásáry were the concerto pianists.

Opera North to present three revivals

Opera North's first season under its new banner opens at the Grand Theatre, Leeds, on September 11. The company will present three operas: two popular revivals, *Carmen* and *Traviata*, and a new production of Verdi's *Macbeth*. *Macbeth* is a co-production with Welsh National Opera. The season lasts until September 26. *Carmen* was originally produced by John Copley and designed by Stefano Lazaridis for the London Coliseum. The principal roles in the opera will be sung by the same

singers. Gillian Knight, Robert Ferguson and Michael Lewis, and they will be joined by a new Michaela Barbara Walker.

Patrick Libby's production of Humperdinck's *Hansel and Gretel* returns to the repertoire with an entirely new cast led by Patricia Parker and Lauren Livingstone in the title roles. The first night of Verdi's *Macbeth* will be on September 17, conducted by David Lloyd-Jones, the Artistic Director of Opera North, and produced by Michael Geliot. The designer is John Gunter and the title role

will be sung by John Rawnley. Following the season in Leeds, the company will tour to Norwich and Manchester, where they will pay their first visit to the newly refurbished Palace Theatre.

President Bragg

Melvyn Bragg has been appointed the new president of Northern Arts in succession to the soprano Sheila Armstrong. A native of Wigan, Cheshire, Bragg still spends much of his time on home territory.

RUGBY LEAGUE by JAMES FRENCH

Man's game extends its frontiers

RUGBY LEAGUE starts its new season confident it can do even better than last season, and build on its progress. Inspired by Fulham's last-season success, Cardiff City and Carlisle United take the plunge into alternating Sunday Rugby League with Football League Soccer on Saturdays and weekday evenings.

From R.L. headquarters at Leeds, official David Howes compared Fulham with a rocket brightening the scene. "We have long wanted to rid ourselves of the image of being just a Northern game, and to becoming truly national. Fulham have started the dream coming true. They did everything right — planning, recruiting, and admin. They have set a high standard."

From R.L. Cardiff share Fulham's conviction that it is lunacy using an expensive modern stadium for only two dozen-odd senior soccer matches a year. The extra outlay in running the two sports in tandem is comparatively modest, and so, too, are payments to the players.

A Fulham soccer professional might be paid £200 a week at most, but the Rugby League part-timers are paid match bonuses — maybe £250 for best-man-of-the-match, say, £50 for winning against opposition they are expected to beat anyway.

David Barnard, commercial manager of Fulham, said: "We exceeded all expectations last season. We averaged 7,058 for our 16 Rugby League and Cup matches, against 5,580 for 28 League and Cup Soccer matches. "We took £152,000 at the gate for our 23 Football League matches. After paying VAT and our share to the League and our opponents we netted £95,260."

But we took £142,000 for our Rugby League matches — and kept £123,500 after VAT. Fulham's accounts are being audited. They expect a small loss on Soccer, and a larger profit on Rugby League. They spent about £120,000 on building their promotion-winning team.

Cardiff and Carlisle are both laying out about £100,000 — in

signing-on fees to persuade Rugby Union stars to turn professional, or on transfer fees which are at a far saner level than Soccer's.

The financial set-up differs at the new clubs. Fulham Soccer Club owns most of the R.L. club, with its directors sharing the rest.

At Cardiff, where they explored football, cricket, boxing and pop concerts as possible diversification, a Newcastle-based civil engineers company, headed by Bob Grogan, controls the Soccer and R.L. clubs, of which he is chairman.

Carlisle set up a separate company, with four Soccer directors joining an R.L. board, who put up most of the £100,000 capital, but with many local supporters taking a £10 share.

Travelling to London proved a great attraction to Northern fans. Fulham's visits boosted Northern gates, sometimes tenfold. Last season, R.L. attendances were 175,000, making a 50 per cent gain in five years.

Fulham have strengthened their squad for the first division by recruiting last season's top

try-scorer, John Crossley from York and Steve Diamond (Wakefield) and Del Green. Cardiff have paid big signing-on fees to Wales R.U. international Steve Fenwick, Paul Ringer and Tommy David.

Carlisle have brought Bradford Northern captain Nigel Stephenson for £20,000 and Denis Boyd (Wigan) for £16,000, and were chuffed to win 6-5 at Fulham a week ago in a charity game.

Rugby League boasts that it is a man's game for a family audience. Hooliganism is virtually unknown, rival fans are not segregated, and caring parents let their youngsters go to matches on their own.

These — plus sensible deals with television that bring publicity without over-exposure — are reasons why its leaders are confident about the future.

Edinburgh's Heart of Midlothian could be the next soccer convert. But watch the motorway map — the R.L. missionaries have been talking to 15 soccer clubs and are keen to find a Midlands base too.

CRICKET by TREVOR BAILEY

Botham's batting is joy unconfined

WHEN IAN BOTHAM — who had been out first ball in the first innings — strode to the wicket at Old Trafford midway through Saturday afternoon, England had struggled unconvincingly to 104 for five in the second innings, and had made batting in the fifth Cornhill Test look very difficult.

Only 29 runs were scored before lunch while three wickets fell. And though Tavaré had dropped anchor and was hanging on grimly, Australia had been allowed back into the game.

One could almost hear the batsmen as they returned to the pavilion trotting out that old familiar excuse that the pitch was too slow to play shots, because the ball simply was not coming on to the bat.

This, however, did not seem to be the case when in two hours and 102 balls Ian destroyed the Australian attack with a magnificent exhibition of power hitting in which he struck six sixes — the highest number in a Test in England — and 13 fours.

He began carefully and accelerated gradually until the arrival of the second new ball which was the signal for a vicious all-out assault in which he stood up and literally smashed it to all quarters of the ground and into the stands. He strikes the ball so hard that he is able to mis-hit a six and can hit fours even when the field is set deep.

The capacity crowd rightly loved an innings which was straight out of a boys' comic. In many respects it was superior to his undefeated 149 at Headingley which enabled England to win a Test that they had appeared destined to lose by an innings.

Botham is really a welcome throwback to the golden Edwardian era when most batsmen were prepared to hit through the line of the ball, there was far less pushing and nudging, and a genuine hitter, Gilbert Jessop, made runs and won Test matches.

Ian is in the game mould. Twice this summer he has demonstrated that modern

bowlers and scientific field placings cannot sustain a batsman who, when not cutting and hooking, is prepared to swing his bat straight and with power.

This is very good news for spectators who will be queuing in ever-increasing numbers to see this latter day Jessop in action.

Since resigning the captaincy, Ian has shown that he is what we all knew him to be, a world class all-rounder.

At Leeds, in addition to being top scorer in both innings, he took seven wickets in the match. At Edgbaston when Australia appeared to be limping home, he captured the last five wickets for one run. In the present match he secured three wickets and held three catches in the Australian first innings before producing his unforgettable century.

He is truly the Golden Boy of English cricket — not just a great all-rounder but also a marvellous entertainer who should serve as a model and an inspiration, to the young. Inevitably, Ian — who takes a

calculated risk when playing many of his shots — will fall from time to time. When this occurs, the watcher must remember, and be grateful for, his match-winning innings which would not occur if he did not play that way.

He, of course, also has two other attributes.

First he would be an automatic choice, even if he could not bat, as an attacking bowler and he is forever taking catches.

At Test level, he has proved himself to be the most successful all-rounder England have produced since W. G. Grace, though it must be admitted that this is a very sub-standard Australian eleven.

At tea yesterday the tourists were fighting hard to avoid defeat. However, with three wickets down and four sessions remaining they were unlikely to succeed, which means that Mike Brearley, who has been appointed captain for the final Test at the Oval, will have retained the Ashes.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

Telegrams: Finantime, London FSA. Telex: 8954871

Telephone: 01-248 8800

Monday August 17 1981

The high cost of dock labour

THE PAST two weeks have seen two major events of importance to Britain's 20,000 registered dockers. These events do much to explain the underlying causes of a spate of disputes and labour difficulties which have over the past year considerably added to the problems of the country's financially ailing ports.

The first was the decision conveyed by Mr Jim Prior, Employment Secretary, to dockers' union leaders that the Government is not ready to conclude a draft plan to bring more inland freight cargo handling depots into the dockland "corridor" despite threats of industrial action over the issue.

Successful

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Last chance

The new temporary severance scheme could be the industry's last chance to flush out surplus labour without a national confrontation over the dock labour scheme.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

For his part, Mr Prior is obliged under the terms of the 1976 Dockwork Regulation Act to pass the decision of major dock opposition during the last Labour administration to work towards drawing up a detailed draft scheme for extending registered dockwork boundaries, although there is no time limit.

Union resistance to any attack on dockers' special employment rights will not easily be broken down. But it could be serious for the industry if resistance takes the form of a dogged determination to hang on to a principle with no regard to its effects on the ability of cargo handling companies to survive.

A return to casual labour would not be the answer but a more flexible agreement on job protection should be part of it.

The national dock surplus has lately been running at 4,000 (2,000 estimated to be long term surplus) following a 25 per cent increase in the first quarter of this year compared with the same period in 1980. This is despite some 2,200 voluntary redundancies achieved by the special London and Liverpool severance scheme last spring.

In the face of this situation port employers are arguing that the Aldington-Jones agreement,

though fair in its time, is in urgent need of review. After announcing a £385m trading loss last year, Sir John Page, chairman of Mersey Docks and Harbour Company, last June attacked "inflexibility" of the dock labour scheme and the Aldington-Jones agreement for its contribution to the company's problem.

But, as demonstrated last September when dockers successfully fought off a compulsory redundancy threat in Liverpool, such arguments are no match for the might of the dockers when called to defend their much prized agreement. The employers now hope to get rid of another 2,000 surplus dockers, 10 per cent of the total workforce. They can expect on the evidence of Liverpool's experience last spring to have to pay the maximum to more than a third of volunteers who will have 20 years' service behind them.

"If you had told me in April I would now be here, I too would have said 'I do not believe you'," said Mr Edward Jefferson.

The English chemist, who became chairman of Du Pont barely four months ago, spoke with quiet satisfaction, sitting in his office beneath portraits of the three former chairmen of the largest chemicals company in the U.S.

Just a week after Du Pont triumphed in one of the biggest corporate shoot-outs Wall Street has ever seen, there was still a sense of disbelief inside the understated rather stuffy headquarters of a company which is almost as old as the country itself and traditionally exuded an image of sobriety and quintessential conservatism.

"I have never quite seen anything like it before in my 20 years with the company," said a Du Pont veteran, unable to disguise the excitement which has overwhelmed the normally sedate chemist's giant.

Today Du Pont is holding an extraordinary general meeting of shareholders to ratify its merger with Conoco, the country's ninth largest oil company. Du Pont's \$7.6bn (£4.3bn) acquisition of Conoco, which is also the second largest coal producer in the U.S., has caused a great deal of surprise and shock inside and outside the company. Mr Jefferson gave the strong impression that the huge deal was not merely the fruit of a newly discovered sense of opportunity and aggressive risk taking on the part of Du Pont's new management.

Mr Jefferson acknowledged that the Conoco deal was largely the result of an unusual combination of circumstances, but he said that for several years Du Pont had been looking for a major combination with an oil company.

"We studied over the years many possibilities of this kind. We looked at all kinds of arrangements and at one stage we looked at a certain company of considerable size," Mr Jefferson said.

Du Pont, like other leading chemicals companies, has sought for some time to secure a reliable source of feedstocks. It negotiated for several years a major joint petrochemical project with Atlantic Richfield which aborted when the oil company decided not to go through with the \$500m (£277m) venture.

In 1976, Du Pont bought a small oil and gas company called Sherbrook Oil for \$85m. It has subsequently entered into a joint gas exploration programme with Conoco designed to cover about a third of the company's domestic needs by the second half of the eighties.

This strategy, however, goes far beyond acquiring secure feedstock supplies to isolate the company from future oil shocks. Mr Jefferson explained this strategy in terms of the wide-ranging changes occurring in the Du Pont's international competitive environment.

In recent years oil companies have been increasing their stake in the chemicals industry. "Look at Exxon: their chemicals sales are now more than half those of Du Pont," Mr Jefferson said.

Exxon Chemical revenues were \$8.2bn last year compared with Du Pont's overall revenues of \$13.8bn. Royal Dutch/Shell also has substantial and growing chemicals presence as do most of the major integrated oil companies.

As oil giants like Exxon are, so to speak, moving left into

chemicals, Du Pont's direct international competitors in Germany and Britain are moving right into oil and gas. ICI has built a strong position in the North Sea. Bayer and BP are involved in joint chemical operations.

In many respects, Du Pont has had a lot of catching up to do. Following the 1973 oil crisis, Du Pont embarked on a strategy which many claim was far too defensive. It essentially concentrated its efforts on patching up the holes of what, at the time, seemed to be a sinking chemicals ship.

It embarked on a severe cost-cutting programme, it reduced research and development expenditure, its policy, in the words of Mr Irving Shapiro, Du Pont's former chairman, was to "stop the bleeding before we could think of the future." As a result, the company lost its position as the world's leading chemical concern to the three large German groups, Hoechst, Bayer, and BASF, which all had higher revenues last year than Du Pont.

In the domestic market, Du Pont was increasingly compared unfavourably with Dow Chemical, its scrappy arch-rival. But significantly, Dow, which aggressively built itself up into a leading base chemicals producer in the 1970s and was one of Du Pont's main suppliers, is now seeking to expand downstream.

Last winter Dow acquired for \$260m the prescription drug operations of Richardson-Merrell, the pharmaceutical concern, in an effort to strengthen the company's weak position in secondary chemicals.

In a sense, this is all part of



Mr Edward Jefferson: "Conoco was looking for a white knight."

'What you now have is a unique company'

By Paul Betts in Wilmington, Delaware

With a show of enormous decisiveness, Mr Jefferson picked up the telephone and called Ralph Bailey, Conoco's chairman. "I asked him if he was interested in a merger. He said he was already discussing one with another oil company. A few days later he was back on the phone."

Mr Chuck (Charles) Welch, Du Pont's Vice-President of External Affairs and general counsel, said: "It takes a lot of nerve for a guy in the job

have to pay a premium. Moreover, Conoco was available and was looking for a white knight. I would not have seriously entertained making a move on an unfriendly basis."

"There were other factors too. We knew the company and felt it was compatible with us. We also knew we would be buying at a substantial discount." Du Pont ended up paying an average of about \$58 a share for a company whose oil and gas assets in the U.S. alone have been valued at over \$145 a share, whose overall U.S. and North Sea natural resources have been conservatively valued at \$180 a share, and whose overall break-up value has been put at \$220 a share.

Du Pont was clearly worried about entering into what was already promising to be a giant takeover brawl. "We've never been in such a situation before," Mr Welch said.

But again, Du Pont, on this occasion, confounded everybody. In tandem with First Boston, the Wall Street investment firm—which has developed one of the most aggressive and accomplished takeover teams led by Mr Joe Perella and Mr Bruce Wasserstein, Du Pont played what turned out to be a highly complex three dimensional chess game against Mobil and Seagram as a grand master.

"There were in a room full of PhDs talking about Big Rubs and the double barrel two step—the strategy Du Pont used in its bidding in the Wall Street vernacular—and they got to grips with what we were telling them after a couple of hours," Mr Perella said.

With a show of enormous decisiveness, Mr Jefferson picked up the telephone and called Ralph Bailey, Conoco's chairman. "I asked him if he was interested in a merger. He said he was already discussing one with another oil company. A few days later he was back on the phone."

Mr Chuck (Charles) Welch, Du Pont's Vice-President of External Affairs and general counsel, said: "It takes a lot of nerve for a guy in the job

have to pay a premium. Moreover, Conoco was available and was looking for a white knight. I would not have seriously entertained making a move on an unfriendly basis."

"There were other factors too. We knew the company and felt it was compatible with us. We also knew we would be buying at a substantial discount." Du Pont ended up paying an average of about \$58 a share for a company whose oil and gas assets in the U.S. alone have been valued at over \$145 a share, whose overall U.S. and North Sea natural resources have been conservatively valued at \$180 a share, and whose overall break-up value has been put at \$220 a share.

Du Pont was clearly worried about entering into what was already promising to be a giant takeover brawl. "We've never been in such a situation before," Mr Welch said.

But again, Du Pont, on this occasion, confounded everybody. In tandem with First Boston, the Wall Street investment firm—which has developed one of the most aggressive and accomplished takeover teams led by Mr Joe Perella and Mr Bruce Wasserstein, Du Pont played what turned out to be a highly complex three dimensional chess game against Mobil and Seagram as a grand master.

"There were in a room full of PhDs talking about Big Rubs and the double barrel two step—the strategy Du Pont used in its bidding in the Wall Street vernacular—and they got to grips with what we were telling them after a couple of hours," Mr Perella said.

With a show of enormous decisiveness, Mr Jefferson picked up the telephone and called Ralph Bailey, Conoco's chairman. "I asked him if he was interested in a merger. He said he was already discussing one with another oil company. A few days later he was back on the phone."

Mr Chuck (Charles) Welch, Du Pont's Vice-President of External Affairs and general counsel, said: "It takes a lot of nerve for a guy in the job

have to pay a premium. Moreover, Conoco was available and was looking for a white knight. I would not have seriously entertained making a move on an unfriendly basis."

"There were other factors too. We knew the company and felt it was compatible with us. We also knew we would be buying at a substantial discount." Du Pont ended up paying an average of about \$58 a share for a company whose oil and gas assets in the U.S. alone have been valued at over \$145 a share, whose overall U.S. and North Sea natural resources have been conservatively valued at \$180 a share, and whose overall break-up value has been put at \$220 a share.

Du Pont was clearly worried about entering into what was already promising to be a giant takeover brawl. "We've never been in such a situation before," Mr Welch said.

But again, Du Pont, on this occasion, confounded everybody. In tandem with First Boston, the Wall Street investment firm—which has developed one of the most aggressive and accomplished takeover teams led by Mr Joe Perella and Mr Bruce Wasserstein, Du Pont played what turned out to be a highly complex three dimensional chess game against Mobil and Seagram as a grand master.

"There were in a room full of PhDs talking about Big Rubs and the double barrel two step—the strategy Du Pont used in its bidding in the Wall Street vernacular—and they got to grips with what we were telling them after a couple of hours," Mr Perella said.

With a show of enormous decisiveness, Mr Jefferson picked up the telephone and called Ralph Bailey, Conoco's chairman. "I asked him if he was interested in a merger. He said he was already discussing one with another oil company. A few days later he was back on the phone."

Mr Chuck (Charles) Welch, Du Pont's Vice-President of External Affairs and general counsel, said: "It takes a lot of nerve for a guy in the job

have to pay a premium. Moreover, Conoco was available and was looking for a white knight. I would not have seriously entertained making a move on an unfriendly basis."

"There were other factors too. We knew the company and felt it was compatible with us. We also knew we would be buying at a substantial discount." Du Pont ended up paying an average of about \$58 a share for a company whose oil and gas assets in the U.S. alone have been valued at over \$145 a share, whose overall U.S. and North Sea natural resources have been conservatively valued at \$180 a share, and whose overall break-up value has been put at \$220 a share.

Du Pont was clearly worried about entering into what was already promising to be a giant takeover brawl. "We've never been in such a situation before," Mr Welch said.

But again, Du Pont, on this occasion, confounded everybody. In tandem with First Boston, the Wall Street investment firm—which has developed one of the most aggressive and accomplished takeover teams led by Mr Joe Perella and Mr Bruce Wasserstein, Du Pont played what turned out to be a highly complex three dimensional chess

Jonathan Carr in Bonn reports that the latest U.S. nuclear move undermines the stability of the West German coalition

The neutron bomb's fall-out in Bonn

IF President Ronald Reagan had deliberately set out to make it harder for the West German Government to stay in office, he could hardly have found a better way of doing it. Chancellor Helmut Schmidt and the Foreign Minister, Herr Hans Dietrich Genscher, already face strong opposition within their parties to NATO's strategy on nuclear missiles in Europe. Both have publicly staked their political careers on successful defence of NATO's stance. The U.S. decision to build the neutron weapon right away has made it less likely that they can carry the day.

At first sight this may seem odd. After all neutron weapons are designed to emit very high doses of radiation over a relatively short range; for example to halt a major tank attack. The NATO position Herr Schmidt and Herr Genscher seek to defend involves so-called "cheat" nuclear forces—Euro-strategic weapons which can have a range of more than 1,000 km. Where is the connection between the two, and why should the West Germans have all be so deeply involved?

The main point is that although West Germany, unlike its European partners, France, and Britain, has no atomic weapons of its own, it already has a major concentration of nuclear arms on its territory as part of its NATO commitment. The new U.S. weapons (called "Euro-strategic" or "neutron") were to be deployed, most of these too would be in West Germany, which has a long common border with Warsaw Pact countries. Bluntly, if a nuclear war began in Europe, the Germans believe with good reason that they would be the first to cease to exist. That is one main reason why relations between Bonn, as potential nuclear recipient, and Washington, as potential supplier, are exceptionally delicate. The

Germans know that, strictly speaking, the U.S. is right when it says that construction of the neutron weapon—as against deployment—lies within its national competence. But they also feel that to take that decision without consultation with those who may have to live (and possibly die) with the weapon, displays a remarkable lack of sensitivity to European concerns—their own above all.

The U.S. action is already being seen by many within Herr Schmidt's Social Democratic Party (SDP) and Herr Genscher's Liberal Free Democrat Party (FDP) as evidence that Washington is not serious when it talks of closer contacts with its allies. That belief is being shared even by those who by no stretch of the imagination could be described as fundamentally anti-American in outlook.

This is little short of disastrous for the Bonn Government—and possibly for NATO itself. Herr Schmidt and Herr Genscher have only been able to win majority support for the NATO decision of December, 1979, by stressing that it involves two parts which are to be given equal weight. Under one part the U.S. will produce Euro-strategic weapons as a counterweight to the Soviet build-up, notably of the SS-20 missile. Under the other, negotiations on arms control are offered to Moscow in the hope that finally few, if any, of the American weapons will have to be deployed in Western Europe at all.

Herr Schmidt is known to have underlined the exceptional delicacy of the issue in a talk to the new U.S. Ambassador, Mr. Arthur Burns, at an apparent result of that Herr Schmidt received a letter from Mr. Reagan, joyfully leaked by the Government shortly after it



Chancellor Helmut Schmidt (left) and Hans Dietrich Genscher: political careers at stake

arrived, in which the President personally committed himself to the start of serious arms control negotiations with Moscow by the year's end. The good done by that letter has now almost certainly been undermined by the neutron bomb decision.

Herr Schmidt faces a Herculean task in gaining re-affirmation of support of the NATO double-decision at the SPD Party Congress early next year. If he fails, he has made it clear he would resign. That in turn would mean the collapse of the Government. Herr Genscher would not stay in coalition with a party which had forced out the Chancellor over NATO, even

if he could continue to obtain support for the NATO stand from his own FDP, which is not certain.

There are felt to be two possible reasons for Washington's action at this stage. One is that those responsible for the neutron weapons decision—and ultimately that means President Reagan himself—were unaware of the domestic political consequences in West Germany. This is felt to be fairly unlikely. The other, more worrying reason, is that Mr. Reagan was aware of the likely outcome, but went ahead all the same. The question being asked in Bonn is whether a conservative Reagan Administration has

decided it would be more comfortable with a Christian Democratic German government (CDU), rather than a left-liberal coalition under a capable but abrasive chancellor. There is some prima facie evidence to suggest that Washington could come to this conclusion. The CDU says it is keen on even more state budget cuts than the present Government has already agreed, combined with a rise in planned expenditure on defence. This matches well the kind of policy Washington is itself trying to follow through.

On the other hand the U.S. might also itself be faced with a social-liberal government, weakened and resentful but not

destroyed. Even if the CDU came to power, the widespread German fear of another twist in the nuclear arms race would not simply vanish overnight.

It is not without irony that this latest major problem in U.S.-West German relations has arisen because a President in Washington, generally seen as a strong leader, has decided to build the neutron weapon. Only three years ago Bonn was bitterly critical because President Jimmy Carter decided not to proceed with construction—after the Germans had indicated they were prepared to accept the weapon.

Not for the first time the Americans may be inclined to ask whether Bonn itself knows what it really wants. The Germans have constantly urged firm leadership from Washington, not only in the military field but in economic and financial affairs as well. Now that the U.S. is determined to defeat inflation, and the dollar is riding high against all major currencies including the Deutsche Mark, the Germans are complaining. One high level member of the then American Administration to visit West Germany last year said with exasperation that the Germans would only be satisfied when they were running Washington themselves—and perhaps not even then.

To some extent the Americans and the Germans are talking past one another. When the Germans speak of firm U.S. leadership, they mean a steady but restrained use of super-power to help maintain the stability of the free world.

The decision to build the neutron weapon without consultation would not, in their view, fall within that definition: nor would current U.S. efforts to defeat inflation. Herr Schmidt is constantly talking about "balance and equilibrium"—

and has even written a book about it in the military context. But the same ideal applies in the economic and financial sphere too. Defeat of inflation is held to involve not just monetary policy, or fiscal policy, or restraint by trade unions and employers—but a balanced mix of all these elements sustained over years.

The German Government would not—and could not fairly—argue that it had been wholly successful itself. But it does believe that the U.S. reliance on control of money supply is excessive and in the long run virtually bound to fail. In the meantime the high interest rates involved react to depress European economies and increase unemployment there towards explosive levels. This in turn is likely to undermine European defence expenditure efforts.

The worst of it is that these differences between Bonn and Washington are becoming more intense at a time when West Germany needs the close support of the U.S. even more than ever. It has always been rightly said that the U.S. is the one irreplaceable element of German security. Nonetheless, over the years Bonn has been able to create some individual room for manoeuvre—both with its "Ostpolitik" and in the context of the European community, notably with France. Both of these avenues are now being threatened by developments over which the Germans have virtually no control.

Just over a year ago Herr Schmidt managed to extract a small, but genuine, concession from the Soviet leader Mr. Leonid Brezhnev during talks on Euro-strategic weapons in Moscow. A little earlier, Mr. Brezhnev had met with Herr Schmidt's friend, the French President, Valéry Giscard d'Estaing, in Warsaw at the invitation of the Polish leader,

Mr. Edward Giersek. Now Mr. Giscard has gone. Mr. Giersek is disgraced (at home) and the Polish shadow hangs over Ostpolitik. Detente is not dead but from Bonn it looks to be seriously, perhaps mortally wounded.

Herr Schmidt has kept a stiff upper lip over replacement of Mr. Giscard by the socialist M. Mitterrand in Paris. Indeed there are some foreign policy issues, such as the Euro-strategic missile problem, on which Herr Schmidt is closer to the new French President than to his predecessor. But there is serious concern over French economic policy and its impact in the European Community context above all.

Privately, it is felt that the new course may be disastrous, increase inflation, threaten the existence of the European monetary system (let alone its development) and make France a more financially demanding partner in the EEC. The Germans are very doubtful about how long they can rely on British support to hold back growth of the EEC budget—particularly, if as seems likely, the German economy performs relatively better than others in Europe in coming months. West Germany has already been largely isolated in its efforts to gain quick removal of state subsidies for steel in the EEC. It has reacted by taking steps to defend its own industry which it would not have considered a few years ago. The same could well happen in other sectors as protectionist measures increase.

This is a bleak and potentially dangerous situation which U.S. diplomacy on the one hand and economic and monetary policy on the other could at least help to improve. But the experience of the last weeks has made the Germans far from hopeful.

Financing coal

From the Chairman, National Coal Board.

Sir,—The Treasury and Civil Service Committee's report on the "Financing of the nationalised industries" has, rightly, earned your commendation (August 13) for its practical approach to some of the financial problems which the nationalised industries are facing at the present time.

This applies particularly to its analysis of the "crowding out" theory, whereby it has been argued that investment in public enterprise limits the scope for investment in the private sector. After careful examination of the implications of this theory, both in its physical and financial aspects, the committee concludes that "it is reasonable that nationalised industries should be as far as possible on a par with private industry as far as investment is concerned."

You made a good point in your leading article in emphasising the diversity of the nationalised industries. As you stated, "only by looking at each industry on its own merits" can effective solutions to their problems be found.

The coal industry is an illustration of this. Because of the ready availability of cheap oil, it was starved of investment during the 1960s. This policy was reversed in 1974, after the oil price increases. But it was made clear at the time that there was to be a catch-up process, which could last for 10 or more years, before the new investment (which would have to be progressively introduced) fully matured.

During that period, when substantial sums of money would have to be borrowed, very little return on the capital employed could be expected; but the ultimate benefits would be considerable. We know from experience that already matured investment that it can double efficiency, largely because of the very big strides that we have made in Britain in improving mining technology.

On a short term view, having regard to the immediate return on capital, some have argued that investment in the coal industry should be curtailed. But on a longer term view, having regard to the need to continue improving the industry's efficiency and to increase its capacity to meet the country's future energy requirement, a high and sustained level of investment in Britain's coal industry is fully justified.

(Sir) Derek Barnard, National Coal Board, Hobart House, Grosvenor Place, SW1.

Trade union legislation

From Mr. J. Prodder

Sir,—The Government is faced with a difficult decision this winter when it comes to consider what legislation, if any, to introduce following publication of the Green Paper on trade union immunities. It has already received views from the CBI, Engineering Employers Federation, Institute of Directors and the Institute of Personnel Management, to mention but four bodies, whose views must be given careful consideration. These views vary from one

Letters to the Editor

extreme, the Institute of Directors, which maintains that this is the last opportunity for legislation in this field which the Government was mandated to introduce, to the other, the Institute of Personnel Management, which says that the absolute minimum should be done.

The Government, I think, must consider the above in the light of a much broader industrial situation. It is essential that the significant achievements made in reducing the level of wage settlements must be continued; and, closely connected, should not choose a battleground with the trade unions over legislation in industrial relations, which the public at large will not really understand rather than one on the level of wage settlements which the majority will support.

The introduction of legislation in industrial relations, if done on the scale suggested by the extremists, will only be reversed if there is a change of Government, whether it be pink or red in colour, and this is not a desirable state of affairs: we have seen enough of "see-sawing" legislation in the past—in education and pensions, in particular.

While clearly unemployment remains by far the most serious national problem, the importance of controlling wage settlements is also of paramount importance, particularly once the economy starts to pick up again: this is surely such a major issue that it must not be prejudiced by involvement in a wrangle about "the closed shop" for example, an emotive subject in itself which could well become a platform for the trade unions in any considerations over legislation. About 50 employees are covered by closed shop agreements at present—and in many cases they operate without problems.

I would earnestly counsel that the Government considers its real priorities in the industrial relations scene before embarking on a road with industrial relations legislation which could prove too steep in the circumstances.

A. Prodder, Granborough Lodge, Granborough, Bucks.

Economic forecasting

From Dr. P. Neild

Sir,—I welcomed the article by Peter Riddell (August 13) on economic forecasting. It is, however, difficult to know the precise date he is referring to when he says that in the "late summer of 1979" only four out of 12 forecasters were looking for a downturn in 1980. Our own forecasts published on August 30, 1979, showed a downturn. This illustrates how misleading it can be to try to substantiate an argument by comparing forecasts at a single date. Since then Phillips and Drew has been consistently more pessimistic than either the London Business School or the National Institute of Economic and Social Research on the depth of the 1980 recession, although even we underestimated.

The more sophisticated analysis of forecasting performance mentioned by Mr. Riddell, and the only one that I know of that has been statistically rigorous, was presented by G. Hatjoulis and Professor D. Wood of the Manchester Business School in the spring of

Petrol price increases

From the Managing Director, Petrofina (UK).

Sir,—In reference to Mr. Peter Dodd's letter (August 13), we find another example of misconceptions about the oil industry. In comparing numbers, one should be careful to get the facts right, and compare like with like.

In January, a barrel of North Sea Forties was \$39.25 and the pound was worth \$2.40, i.e., a barrel was worth £16.35.

On August 11, the barrel in question was worth \$35 and the pound was worth \$1.77, i.e., a barrel of Forties cost £19.77, an increase of 20.9 per cent (—12% on crude, +35.6% on currency).

VLC (very large crude carrier) tanker freights from the Persian Gulf are not 25 per cent of the landed crude price but more like 5 per cent, and from the North Sea to a UK refinery, the price is 2 per cent of the crude cost and is not significant.

Thus we have a net increase in the delivered price of 21 per cent against an increase in the cost of petrol of 15.5 per cent, despite the fact that the costs of refining and distribution increased more than the retail price index because of reduced throughput. Quite a different picture from Mr. Dodd's.

One should not be blinded by the absolute numbers quoted as profits by the oil industry. In 1980, the profits per gallon sold on a worldwide integrated basis were between 1 and 2 pence per gallon for the whole industry—a very small margin indeed, given the risk involved.

That margin leaves very little room for covering dollar/sterling price or for passing on past profits to the consumer, as suggested in recent letters. The numbers just don't match up.

Petrofina (UK), Petrofina House, York Road, SE1.

Man of the match

From Mr. H. Walden.

Sir,—Mr. Trevor Bailey's article (August 10) and the dilemma he faced in selecting the "Man of the Match" in the fourth Test Match has once again highlighted the incongruity of this award.

Cricket is a team game and no one individual can make an outstanding contribution without help to a greater or lesser degree from his team colleagues. The batsman who makes a big score can only do so if batsmen at the other end avoid getting themselves out (or possibly avoid getting him out). The bowler who takes a number of wickets invariably needs his fielders to field well and to hold catches, the wicket-keeper to "keep" well, his captain to adopt the right tactics, and the other bowlers to at least bowl tidily. If a wicket-keeper achieves success by stumpings, run outs or catches and if a fielder holds a number of catches the bowler has played some part.

There are those who by the very nature of their particular opportunity to participate are unlikely to be selected for one of these awards; the wicket-keeper is, I believe, very rarely selected, but his competence is usually vital.

I understand that, in many instances, the award is "pooled" by the team; I appreciate that it may give the sponsor a little more publicity for his money and I also note that it may give supporters a little more interest, but we cannot at the fact that cricket is not and never will be other than a team game. Surely it is time these awards were discontinued.

Herbert Walden, "Fieldgate House", 24 Hill Wootton Road, Leek Wootton, Warwick.

Monitor all staff

From the Chairman, Archibald Kerrick and Sons

Sir,—We are embarking on an extended argument about the rights and wrongs of racial monitoring in employment (your leader of August 12). It seems the prime reason for the coming furore is that it is being suggested that it is only about non-white staff that such employment records need to be kept. This is surely rubbish.

I would suggest that monitoring details, such as religion, country of origin and so on, of all one's workforce is merely good personnel practice. Our people are a vital part in the success, or failure, of our companies. The more you know about them, the more likely it is that you will be able to motivate them, to understand their problems and to offer them secure employment.

If you know some of the workers are likely to wish to observe a particular religious festival, you can plan it properly. It helps to know the extent of a language barrier—written or spoken. There may be hidden talent in other languages or previous experience.

We are a relatively small company. We have monitored our workforce for a number of years, without trouble, because we believe in equal opportunity for all. We believe our industrial relations demonstrate the correctness of this attitude.

M. J. Kenrick, Archibald Kerrick and Sons, PO Box 9, Union Street, Kenrick Way, West Bromwich, West Midlands.

GENERAL

UK: Dr. Gerard Vaughan, Health Minister, begins two-day visit to Liverpool to see how the Health Service can help the city.

Moss Side riot inquiry starts, Manchester.

Edinburgh International Festival (until September 5).

Harrogate International Festival of Sound, Exhibition Centre, Harrogate (until August 18).

Overseas: The Duke of Edinburgh will compete in the European Driving Championships at Zug in Switzerland

Today's events

until August 24.

Protest marches in Poland against holding political prisoners.

Count Otto Lambsdorff, West German Economics Minister, visits Singapore.

Du Pont shareholders vote on merger with Conoco.

Mr. Jozef Cyrtek, Polish Foreign Minister, meets Herr Hans Dietrich Genscher, West German Foreign Minister, near Reichenbach in Bavaria for two

days of informal talks on the situation in Poland and possible West German aid.

OFFICIAL STATISTICS

Department of Trade publishes July provisional figures for retail sales.

COMPANY MEETINGS

See the Week's Financial Diary on page 21.

COMPANY RESULTS

Final dividends: E. Eliott.

McKay Securities. Vibroplant Holdings. Interim dividends: Charles Baynes, T. F. and J. H. Braine Holdings. Horizon Travel. Royal Insurance.

CITY OF LONDON LUNCHEON MUSIC

Piano recital by Roger Curtis, St. Lawrence Jewry, Gresham Street, 1.00 pm.

Organ recital by Jonathan Kennert, St. Michael's Cornhill, 1.00 pm.

Organ recital by Rosemary Field, St. Martin-within-Ludgate, 1.15 pm.

Would your investment survive the Wall Street crash: raging inflation; war; devaluation?

Unfortunately, there is no such thing as a cast-iron investment. But there is gold.

Interestingly, it is one of the few investments that has survived—and even thrived—during the worst economic climates.

And if like most investors, you are currently searching for ways to nurse your portfolio through the recession, gold offers you exceptional advantages.

'Properties worth investing in.'

Of all gold's 'properties', two are worth your particular attention right now.

Firstly, the supply of gold is not dependent on man. It is limited by nature. Only about 30,000 metric tons have ever been mined. And only about 1,000 metric tons can be mined each year.

Secondly, there is, and always will be demand for gold—for jewellery, for industry, for investment.

What is interesting is that the greater world uncertainty is, the more likely people are to turn to gold. And so its value rises.

This is why gold is such a selling addition to any portfolio.

It has the ability to increase its value during times of economic uncertainty, and so it provides an ideal counter-balance to any downturn in your stocks and shares.

Gold gives you flexibility.

In the long-term, gold has always offered security. However, in recent times, the price of gold has been volatile in the short-term. This is exactly the factor you can use to your advantage.

For instance, you may well decide to purchase gold as a low-risk, long-term investment, say as a hedge against inflation. But it's possible the price will rise substantially in the short-term, in which case the capital gains may be much too tempting to pass up.

Conversely, you may buy gold in the hope of short-term gain, and then it wiser to wait longer for a better price.

A few examples: 1970-1980.

The table shows the highest, lowest and average prices of gold between 1970 and 1980. Notice that the price is continually

LONDON GOLD PRICES

	Highest	Lowest	Average	Average Index	Inflation Index	FT 30-share Index
1970	16.40	14.48	15.01	100	100	361.0
1971	18.16	15.59	16.87	111	109	384.2
1972	28.58	17.12	23.39	156	117	503.8
1973	49.22	27.16	39.58	264	128	435.6
1974	84.19	49.60	67.23	452	148	351.2
1975	79.13	62.52	72.34	482	164	311.0
1976	84.55	58.41	69.34	462	215	348.0
1977	92.37	75.13	84.56	568	248	452.3
1978	116.78	86.60	100.65	670	269	479.4
1979	235.19	108.62	145.34	956	306	475.5
1980	371.00	215.58	283.74	1,757	361	464.5

Source: *Sources of Money* & *London Financial Times*

fluctuating. The peaks are high, the troughs are low. So much so, that there were times when you could have made very considerable gains within a year. If, on the other hand, you had bought gold as a long-term investment, notice that the average trend too, is in your favour. Whilst there is no guarantee that this will continue, past performance is a valuable

guide. Indeed, this upward trend has so far lasted thousands of years.

Krugerrands—gold for the private investor.

Krugerrands are bullion coins which contain exactly one troy ounce of fine gold. In addition, you can also purchase smaller coins containing exactly 1/2 oz, 1/4 oz, or 1/10 oz of fine gold. So great is their popularity that more than 30 million of them have been sold throughout the world.

This makes them the most internationally accepted way for privately holding gold.

Buying and Selling Krugerrands.

You can buy Krugerrands through an estimated 11,000 and sell through an estimated 8,000 outlets in the UK. Because they are legal tender, they carry no VAT. (Whereas all other forms of bullion do.) They do not have to be assayed either. You can buy them through most banks, stockbrokers and bullion coin dealers. Similarly, they are easily sold through the same outlets. And there need not be any complicated paperwork.

The value of Krugerrands is directly linked to the price of gold—around 3% above

the gold price on the 1oz coin. When buying or selling there is normally an additional handling commission of between 1% and 3%—depending on the quantity of 1oz coins bought or sold. Once bought, the value of your investment is easily monitored. You simply look up the gold price in a newspaper. You'll see it quoted per troy ounce, which is exactly the weight contained in one Krugerrand. Many newspapers also quote the price of Krugerrands.

What to do now.

Ring Teledata on 01-200 0200 for the names and dealing procedures of your nearest Krugerrand distributors.

Teledata can also tell you the current gold price and approximate retail prices of all four sizes of Krugerrands updated during the day.

In addition, the International Gold Corporation have prepared a 64 page publication entitled *The Krugerrand Directory 1981* which contains information on gold and the Krugerrand as well as details of the official procedures of over 6,500 Krugerrand distributors. To order your free copy, simply fill in the coupon below.

To The Krugerrand Directory 1981, PO Box 422, London W1A 4ZP.

I am very interested in buying Krugerrands. Please send me a free copy of the 64 page publication *The Krugerrand Directory 1981*.

Name: _____

Address: _____

Postcode: _____

TELEDATA

THE KRUGERRAND

The Ultimate Asset.

Exeter Building quote being switched to USM

Exeter Building and Construction Group, a West Country building contractor, is coming to the Stock Exchange's Unlisted Securities Market this week. Application has been made to the SE Council and dealings are expected to start on Thursday.

The company, which is based in Exeter, was founded in 1939 as a general building contractor. It also engages in property development. Shares have been traded under Rule 163(2a) since Exeter went public in June 1980.

According to Mr Peter Finch, a partner at Savory Millin, the company's broker, Exeter is coming to the USM in order to gain further exposure in the financial marketplace and to avoid the restrictions of trading under Rule 163 (2a).

"There isn't any stock being placed at this time, but we hope there will be a market for Exeter shares. Rule 163 would not have provided enough flexibility in dealing," he explained.

The shares were suspended last Thursday at 140p, at which price Exeter is capitalised at £3.08m. More than 40 per cent of the company's shares are held by directors, their immediate families and a former director.

Last year Exeter made a pre-tax profit of £755,000 on turnover of £22.5m. Of total turnover, £14m came from the major contracting business, £1.3m from development, £4.2m from build-

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the subdivisions shown below are based mainly on last year's results.

TODAY	
Interim: Charles Baynes, T. F. and J. H. Baynes, Horizon Travel, Royal Insurance, Vogelstein & Metal.	
Final: E. Elliott, Gold Fields Property, Hamunton Tin Dredging, McKay Securities, New Witwatersrand Gold Exploration, Palmerston Investment Trust, Sungal Sea Mines, Viroclant.	
FUTURE DATES	
Interim:	
Bowater	Sept 9
Bund Pulp and Paper	Sept 16
Charterhouse Petroleum	Aug 25
English and Scottish Investments	Aug 19
General Mining Union Cpn.	Sept 3
Jacks (Wilham)	Aug 21
Kennedy Brooks	Aug 21
Olives Paper Mill	Aug 18
Paramba	Aug 21
Robinson (Thomas)	Aug 26
Stanley (A. G.)	Aug 28
Final:	
Calcutta Electric Supply (India)	Aug 18
Land Investors	Sept 7
Leeds Tools	Aug 19

ing and maintenance, £1.7m from specialist contracting and the remaining £1.6m from other activities.

In the half-year to June 30, pre-tax profit was £364,000 (£196,000) on turnover of £12m (£9.8m). The company has devoted "special attention" to cash flow and

liquidity, and strengthened its cash resources. As at July 31, Exeter had net cash deposits of around £1.4m (after deducting £750,000 of borrowings).

The company is paying a maintained interim dividend of 2.5p on all shares held on September 1, 1981. No dividend or profit forecast is given by the group, but Mr David Stoneham, chairman, says that while he expects a reasonable return from a good second-half turnover, profit margins are generally under pressure.

comment

Exeter is a well established small regional building contractor which is managing some growth in a difficult economy. Its profits growth over the last three years from £213,000 pre-tax in 1978 to £755,000 last year—is not an accurate barometer of how it might do in the current year, but it is encouraging. This year Exeter might make between £800,000 and £900,000, which suggests a prospective fully taxed p/e of around 7.5. The company's historic p/e is 5.7 and the yield on last year's dividend would be 4.4 per cent. The company has a healthy balance sheet and says it does not want any equity financing in the near future. Investors should keep in mind that this is principally a contractor and not so much a developer.

RFD starts with good order book

ALTHOUGH THE current year at the RFD Group has started slowly, there is a good order book in many parts of the company and Mr D. R. B. Myrns, chairman, tells members that as far as can be seen ahead some improvement in our fortunes.

In the coatings and cable components division he explains that while market share has been held, profit margins are suffering, and a substantial reduction in profits is expected, whereas on the defence equipment side an overall improvement in performance is seen.

Mr Myrns says the opportunities in this sector "remain considerable." Continuing investment is being made in design and development in the safety and survival division, with the intention of remaining in the forefront of technology in the industry.

The chairman states that recovery on the textile side will, of necessity be slow, but the streamlined organisation will be able to respond quickly to market pressures and this "should lead ultimately to a satisfactory return being achieved."

As reported on July 15 pre-tax profits for the year ended March 31 1981 amounted to £313,000, compared with losses of £434,000 previously.

Balance sheet shows net current assets of £5.28m (£4.94m) and shareholders' funds of £11.22m (£10.87m). There was a £108,000 inflow of funds, against a £2.48m outflow.

FT Share Information

The following securities have been added to the Share Information Service: Cambridge Electronic (Section: Electronics), Camtech (Industrials), F. and C. Enterprise Trust (Investment Trusts), Jackson Exploration (Oil and Gas), Zygal Dynamics (Industrials).

TAURUS VEHICLE LEASING/TRICOVILLE Taurus Vehicle Leasing has increased its offer for Tricoville preference shares to 110p cash for every 10.75 per cent cumulative preference share, in the light of further discussions and negotiations.

The offer for the 10p ordinary shares remains at 107p each in cash.

NO PROBE The merger between Mills and Allen International and Letraset is not being referred to the Monopolies Commission.

West Coast and Texas Regional Investment Trust Colonial Mutual Life Assurance Society and subsidiary own 732,500 shares.

G. M. Firth (Metals)—Trust Holdings (UK) has disposed of 25,000 ordinary shares and on August 10 disposed of a further 50,000 shares and now holds 160,788 (6 per cent).

The registered owner is Rodo Nominees and the beneficial owner Bankers Trust Holdings (UK).

Cooper Industries—Brookhouse has acquired 550,000 ordinary shares which now make total

BIDS AND DEALS

Strong rejection from Westbrick

THE directors of Westbrick Products, the Exeter-based brick-maker, have posted a letter to shareholders explaining why they unanimously recommend a rejection of the 75p per share cash offer from C. H. Beazer, the property development and construction group.

The offer, which was made last month, followed a dawn raid in early July in which Beazer acquired 11.5 per cent of Westbrick's share capital. Westbrick had already signalled its opposition to the Beazer proposal, but the bid was launched anyway.

The Westbrick letter urges shareholders to ignore the offer and cites several reasons for doing so. The Westbrick board comments on statements by Beazer that the two businesses are complementary by saying Beazer "shows little real understanding of the Westbrick business."

The letter also states that a merger would be "detrimental to the development of Westbrick" and Beazer had failed to "make a viable case with regard to the commercial advantages" of a merger.

The letter from Mr J. W. Sutherland, Westbrick's chairman, also states that a merger could lead to serious management problems in integrating two diverse groups.

He goes on to say that Beazer's offer of 75p is substantially less than Westbrick's net asset value of 121p per share—the book value of net tangible assets at March 31 was £5.2m; Beazer's offer values Westbrick at £3.2m.

Turning to the future, Mr Sutherland tells Westbrick shareholders that the board is "confident about the medium term prospects" and believes that shareholders and employees alike should receive the benefits of an upturn.

The letter also contains an announcement that in the absence of unforeseen circum-

stances, Westbrick intends to recommend a total dividend of 5p for the year to next March, compared with 4p last year.

At a price of 75p, this puts Westbrick's shares on a prospective yield of 8.5 per cent. At Friday's price of 82p, this provides a prospective yield of 8.7 per cent.

The letter notes that the Beazer offer is significantly below the current middle market value for Westbrick shares (82p), and it is characterised as "an opportunistic attempt to acquire a well-established and soundly financed business at an unrealistically low price."

Beyond these reasons, the document also says that the Beazer offer "does not enhance employment prospects in the South-West of England."

The board and Charterhouse Japhet, its adviser, considers the offer totally unacceptable, and directors do not intend to accept the offer in respect of their beneficial shareholdings (representing 1.7 per cent of the issued share capital).

Intl Timber acquisition Jewson and Sons, a subsidiary of International Timber Corporation, has acquired from C. F. Patterill its timber and builders merchandising business trading at Harpenden, Hertfordshire, for about £9.5m cash.

The goodwill and fixed assets of the business have been acquired together with the benefit of subsisting contracts and orders. Timber and other stocks are also being purchased at the lowest of cost or realisable value. The business will trade under the Jewson name, and will be developed as one of Jewson's timber and builders merchants branches.

SHARE STAKES Interest 3,384,666 ordinary shares (10.6 per cent) in the company. Bladen and Neaves (Hdgs.)—Rheem International, has recently acquired a further 100,000 ordinary shares increasing holding to 1,388,000 shares (11.16 per cent).

Mitchell Somers—Grovewood Securities have purchased the following ordinary units: On Aug 7, 350,000 at 30p. On Aug 10, 350,000 at 29p. Grovewood now hold 3,740,485 units and parent company Eagle Star Insurance Company holds 27,812, which together make up 24 per cent of total issued capital of Mitchell Somers.

SPAIN		Aug 14	
1981	Price	1980	Price
High	Low	High	Low
359	251	Banco Bilbao	359
384	280	Banco Central	384
435	229	Banco Com. de Madrid	435
331	239	Banco Hispano	331
128	120	Banco Ind. Cat.	121
409	254	Banco Santander	409
226	148	Banco Urquijo	226
379	263	Banco Vizcaya	379
292	204	Banco Zaragoza	265
220	52	Dragados	220
80	45	Espanola Zinc	78
71	55.5	Fecsa	71
52	22	Ind. Pinedos	52
79.7	63.5	Hidroele	79.7
62.5	52	Iberduero	57
128.5	70	Patronato	128.5
86	70	Perpetua	85
102	54	Sopelica	54
78	60	Telefonica	77.5
76.5	60	Union Elect.	76.5

THE TRING HALL USM INDEX 127.5 (+0.7) at close of business 14/8/81. BASE DATE 15/11/80 100. Tel: 01-248 5675

CORAL INDEX Close 570-575 (+11)

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange and is not an invitation to any person to subscribe for or to purchase any share capital of the Company.

UNITED SCIENTIFIC HOLDINGS LIMITED

(Registered in England No. 731159)

SHARE CAPITAL

Authorised	Issued and to be issued fully paid
£8,000,000	£6,731,264
Ordinary shares of 25p each (including New Ordinary shares to be issued by way of rights)	

Approval by the shareholders of United Scientific Holdings Limited ("the Company") will be sought at the Extraordinary General Meeting convened for 17th August 1981 for an increase in the authorised share capital of the Company to £8,000,000 and for the acquisition by the Company of Alvis Limited.

Application has been made to the Council of The Stock Exchange for the relisting of the Ordinary shares and for the New Ordinary shares to be issued by way of rights to be admitted to the Official List. It is expected that dealings in the shares will commence on 20th August 1981.

Particulars of the Company are available in the Extra Statistical Service and copies of such particulars may be obtained during business hours on any weekday (Saturdays and public holidays excepted) up to and including 9th September 1981 from:

Robert Fleming & Co. Limited, 8 Crosby Square, London EC3A 6AN. S. G. Kemp & Co., 20 Copthall Avenue, London EC2R 7JS. 17th August 1981



BANCO DO BRASIL S.A.

U.S. \$40,000,000

Bearer Depositary Receipts

Issued by Chemical Bank against a

Floating Rate Promissory Note due 1982 of Banco do Brasil S.A.

For the six months August 17th, 1981 to February 17th, 1982

the Bearer Depositary Receipts will carry an

Interest Rate of 19 1/4 per annum

Agent Bank

CHEMICAL BANK INTERNATIONAL LIMITED London

M. J. H. Nightingale & Co. Limited

2000's capitalisation		Company		Change Price on week div. (p)		Gross Yield %		P/E Actual	
1,114	ABT Hldgs. 10pc CULS	112	10.0	8.9	—	—	—	—	—
3,594	Airprang	69	4.7	6.8	11.0	15.2	—	—	—
1,125	Armitage and Rhodes	46	4.3	5.6	3.8	8.5	—	—	—
12,088	Bardon Hill	188	9.7	4.8	9.8	11.7	—	—	—
7,324	Deborah Services	108	5.1	5.3	5.1	8.7	—	—	—
3,889	Frank Horrell	104	6.4	6.2	8.4	22.6	—	—	—
9,101	Frederick Parker	62	1.7	2.7	27.4	—	—	—	—
1,181	George Blair	94	8.1	4.8	—	—	—	—	—
4,020	IPC	39	7.3	7.4	7.4	10.8	—	—	—
2,732	Jackson Group	108	7.0	6.5	3.4	7.7	—	—	—
17,328	James Burrough	127	8.7	6.9	9.3	11.7	—	—	—
3,182	Robert Jenkin	310	31.3	10.1	43.1	11.0	—	—	—
2,840	Scruttons "A"	59	6.3	9.0	8.1	8.4	—	—	—
2,322	Tonday	150	15.1	7.9	7.3	12.6	—	—	—
2,778	Twynlock Ord.	18	15.0	18.7	—	—	—	—	—
2,075	Twynlock 15pc ULS	78	15.0	18.7	—	—	—	—	—
5,645	Unicof Holdings	37	3.0	8.1	6.8	11.2	—	—	—
11,854	Walter Alexander	94	6.4	6.8	6.2	10.8	—	—	—
5,508	W. S. Yeates	226	13.1	5.6	4.5	8.1	—	—	—

FINANCE FOR INDUSTRY TERM DEPOSITS.

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 21/8/81

Terms (years)	3	4	5	6	7	8	9	10
INTEREST %	12 1/4	13 1/4	14 1/4	15 1/4	16 1/4	17 1/4	18 1/4	19 1/4

Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Rd., London SE1 8XP (01-928 7822, Ext. 367). Cheques payable to "Bank of England, a/c FFI" FFI is the holding company for ICFC and FCI.

Gulf International Bank

1981 Unaudited Interim Statement

Statement of Condition

As at 30th June, 1981

Assets:	30 June 1981 US\$000	30 June 1980 US\$000
Cash and due from banks	7,000	6,000
Deposits at interest	1,997,000	1,389,000
Marketable Securities	149,000	99,000
Loans	1,466,000	712,000
Premises and equipment	13,000	11,000
Other assets	106,000	61,000
Total Assets	3,738,000	2,278,000
Deposits at call and due to banks	240,000	88,000
Time deposits	3,195,000	2,011,000
Other liabilities	91,000	53,000
Total Liabilities	3,526,000	2,152,000
Shareholders' Equity		
Share capital	180,000	106,000
Retained plus current period earnings	26,000	16,000
Compulsory and voluntary reserves	5,000	3,000
Contingency reserve	1,000	1,000
	212,000	126,000
Total Liabilities and Shareholders' Equity	3,738,000	2,278,000

Statement of Income, Expenses and Appropriations

For the period 1st January 1981 to 30th June 1981

	30 June 1981 US\$000	30 June 1980 US\$000
Interest Revenue		
Interest and fees on loans	104,421	48,565
Interest and fees on bonds	9,624	5,361
Interest on deposits	146,251	82,646
	260,296	136,572
Interest Expenses		
Interest on deposits	241,625	125,645
Net interest and fee revenue	18,671	10,927
Other net operating income	3,581	1,198
Net Interest, Fees and Other Operating Income	22,252	12,125
Direct Expenses		
Staff	4,847	3,249
Premises	983	631
Other operating expenses	3,156	2,045
	8,986	5,925
Net Income for the Period	13,266	6,200

The International Bank of the Seven Gulf States

Gulf International Bank B.S.C.,
Tarek Building, Government Avenue, P.O. Box 1017, Manama, Bahrain
London
P.O. Box 156, 8-13 King William Street, London EC4P 4LD
New York
499 Park Avenue, New York, NY10022
Cayman
c/o 499 Park Avenue, New York, NY10022



Companies and Markets INTL. COMPANIES & FINANCE PENDING DIVIDENDS RECENT ISSUES

AAB receiver appointed by Dutch Central Bank

THE DUTCH CENTRAL BANK has appointed receivers to wind up the affairs of Amsterdam American Bank (AAB), a small Panamanian-owned bank which has run into financial difficulties. This is the first time the Central Bank has used the new powers granted to it under revised banking supervision legislation introduced in January 1978, and the first disbursement of a Dutch-based bank for more than a decade. The Central Bank has obtained a court order allowing it to take over AAB's affairs, because it "was in a position which, in the interests of the bank's creditors, required special provisions to be made."

Recovery this year seen at Swissair

SWISSAIR expects to improve its profits this year, according to a letter to shareholders in 1980, the airline's net earnings dropped by over 12 per cent to SwFr 44.27m (\$29.35m).

Geo U.S. seeks buyer after continuing losses

CONTINUING LOSSES on one of its major publishing ventures in the U.S. have forced Gruner and Jahr, the magazine publishing subsidiary of Bertelsmann, to look for a buyer for the U.S. edition of its magazine Geo.

Directors of Schlitz stay with Heileman

THE BOARD of Jos. Schlitz, fourth-largest brewer in the U.S., has come down firmly in favour of the \$49m bid for the company from Heileman Brewing, despite a \$550m rival offer from Pabst which rates as number 3 in the U.S. brewing stakes. The Schlitz directors have approved a definitive merger agreement with Heileman, in accordance with the preliminary offer announced by both companies in July. At the same time the Schlitz board announced that it has rejected the Pabst bid.

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming board meetings (indicated thus*) have been officially published.

Table with 4 columns: Company, Date, Announcement last year, Date, Announcement last year. Lists various companies and their dividend dates.

Table titled 'EQUITIES' with columns: Issue price, Amount paid up, Latest price, High, Low, Stock, Dividend, Yield. Lists various equity issues.

Table titled 'FIXED INTEREST STOCKS' with columns: Issue price, Amount paid up, Latest price, High, Low, Stock, Dividend, Yield. Lists various fixed interest stock issues.

Table titled '"RIGHTS" OFFERS' with columns: Issue price, Amount paid up, Latest price, High, Low, Stock, Dividend, Yield. Lists various rights offers.

Table titled 'Public Works Loan Board rates' with columns: Years, Effective August 8, Quota loans repaid, Non-quota loans A* repaid. Lists loan board rates.

Table titled 'LOCAL AUTHORITY BOND TABLE' with columns: Authority, Annual interest, Life, Gross pay, Minimum of interest, sum bond. Lists local authority bonds.

CURRENCIES, MONEY and GOLD

Summer high spot for the Italian lira

THE ITALIAN lira is to be found among the time either close to the top of the European Monetary System or the bottom. Until last week it was the most improved member. The term "most improved" is relative since the lira is basically very weak and owes its position to current weakness of the D-mark and the implementation of a 6 per cent devaluation against other EMS currencies in March this year.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS-contd. List of various international and offshore financial services, including investment management, insurance, and banking.

THE POUND SPOT AND FORWARD

Table with 4 columns: Day's spread, Close, One month, p.a. Three months. Lists pound spot and forward rates.

THE DOLLAR SPOT AND FORWARD

Table with 4 columns: Day's spread, Close, One month, p.a. Three months. Lists dollar spot and forward rates.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with 4 columns: Aug. 14, Sterling, U.S. Dollar, Canadian Dollar. Lists Euro-currency interest rates.

FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 14)

Table with 4 columns: 3 months U.S. dollars, 6 months U.S. dollars, bid 18 1/16, offer 19 1/16. Lists interbank fixing rates.

LONDON MONEY RATES

Table with 4 columns: Aug. 14, Sterling, U.S. Dollar, Canadian Dollar. Lists London money rates.

CURRENCY RATES

Table with 4 columns: Aug. 14, Bank, Special, European, Currency. Lists various currency rates.

[illegible][illegible]

Gold Investment			
Peachtree 70th, 2000	MAN	15	528,269
Allocation Aug 31	MAN	10	78
Distribution Aug 31	MAN	65	10
Adv. Div. 100	MAN	55	+0.15
Distribution Aug 31	MAN	77	-0.01
Adv. Div. 100	MAN	27	+0.01
Distribution Aug 31	MAN	27	+0.01
Albany Fund Management Limited			
P.O. Box 75 St. Helier, Jersey		0534	73933
Albany Fd. Inc.		192,763-348	1.00
(last dividend Sept 1)			
Alexander Fund			
37, rue Notre-Dame, Luxembourg		0531-42	
Adv. Div. 100		10	10
Net asset value August 10			
Allen Rayner & Russ Inc., Mgt. (C.L.)			
4180 Coler Ave. P.O. Box 100		0534-7733	
Adv. Div. 100		10	10
Net asset value August 10			
Atlantic International Portfolio Reserves			
c/o Bank of Bermuda, Hamilton, Bermuda		0534-0377	
Adv. Div. 100		10	10
Distribution Aug 31 0.000642 (38.4% p.a.)			
Ashtad Securities (C.L.) Limited			
P.O. Box 234, St. Helier, Jersey		0534-76077	
Adv. Div. 100		10	10
Net asset value August 10			
Adv. Div. 100		10	10
Net asset value August 10			
B.I.A. Bond Investments: AG			
10, Bâlestrasse (Nestlé), Zug, Switzerland			
Boards of Directors			
Bank of America International S.A.			
35 Boulevard Royal, Luxembourg G.D.			
Adv. Div. 100		10	10
Net asset value August 10			
Berbanck Managers (Jersey) Ltd.			
10, Bâlestrasse (Nestlé), Zug, Switzerland			
Boards of Directors			
Berleys Unicorn International			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Unicredit Fund			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Thomas S. Douglas, Inc. & Mgt.			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Do. Mgt. Inc.			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Do. Mgt. Inc.			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Bishopsgate Commercial Sec. Ltd.			
P.O. Box 42, Douglas, I.C.M.		0534-23911	
Adv. Div. 100		10	10
Net asset value August 10			
Bridge Management Ltd.			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
British Investment Management Ltd.			
37, rue Notre-Dame, Luxembourg G.D.			
Adv. Div. 100		10	10
Net asset value August 10			
U.S. Pacific Development Investments			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Universal Credit Fund			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Stirling Investment Fund			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Stirling Investment Fund			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Stirling Investment Fund			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Stirling Investment Fund			
1, Craning Court, St. Helier, Jersey		0534-7343	
Adv. Div. 100		10	10
Net asset value August 10			
Stirling Investment Fund			
1, Craning Court, St. Helier, Jersey		0534-7343	

Continued on previous page.

Registered at the Post Office. Printed by St. Clement's Press for and published
by The Financial Times Ltd., Brecker House,
V G H Cannon Street, London EC4A 3DF.
© The Financial Times Ltd., 1983.